*The China Weekly*

# REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

# Japan Fights for Control of China Customs Administration

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SATURDAY, APRIL 11, 1936 VOLUME 76, NUMBER 6

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76-201

# CENTRAL SAVINGS SOCIETY

**Paid-up Capital $5,000,000**

Notice is hereby given that the CENTRAL SAVINGS SOCIETY, established by the CENTRAL TRUST OF CHINA under a Special Charter of the National Government of China, was opened for business on March 16, 1936, and that the first reimbursement drawing will be in the Chamber of Commerce, North Soochow Road, Shanghai, on April 15, 1936. The attention of the public is invited to the following outline of Regulations governing Premium Savings Bonds issued by the Society:

(1) The Society issues Premium Savings Bonds of three denominations as follows:

| | Face Value | Monthly Instalment to be paid by bondholder |
|---|---|---|
| Full Bond | $2,000 | $12 |
| Half- Bond | $1,000 | $ 6 |
| Quarter-Bond | $ 500 | $ 3 |

(The bond will be fully paid up in 14 years.)

(2) Prepayment of instalments for one year on a full Bond will entitle the holder of the Bond to a deduction of $4.00. If prepayment of instalments for six months is made the deduction will be $1.00. Proportionate deductions will be granted for prepayment of instalments on Half-Bonds and Quarter-Bonds.

(3) Reimbursement drawings will be held monthly on the fifteenth of each month, and there will thus be a total of 180 drawings during the 15 year's life of every bond. In the fifteenth year, although bondholders will not have to pay any instalments, they will nevertheless participate in the monthly reimburursement drawings.

(4) The Special Reimbursement will be the aggregate value of $0.50 for each of the Full Bonds participating in a drawing. When the total number of Full Bonds in force reaches 100,000 the Special Reimbursement will be $50,000.00. In case the total number of bonds in force be less than 50,000, the Society undertakes to make up the sum of $25,000.00 for the Special Reimbursement.

(5) In addition to the Special Reimbursement, there will be one First Reimbursement of $2,000.00, one Second Reimbursement of $300.00, one Third Reimbursement of $200.-00 and one Fourth Reimbursement of $100.00 for each series of 2,000 bonds participating in a drawing. There will be one Terminal Reimbursement of $12.00 in every ten Full Bonds participating in a drawing, and also a number of Supplementary Reimbursements.

(6) The bondholders, if they surrender their bonds before maturity, will be able to get the surrender value in full.

(7) Bondholder, after having paid the instalments on his bond for a period of two years, will be entitled to secure a loan from the Society.

(8) Bonus interest will be paid in addition to the face value of a bond upon its maturity at the end of fifteen years.

(9) The Society, after setting aside the Redemption Reserve from the total income realized from the utilization of the premium, will appropriate one half of the surplus to the Bonus Interest Fund. All the unpaid bonus interest of surrendered bonds will also go to the Fund at compound interest for ultimate distribution to matured bonds.

(10) The funds set aside as the Redemption Reserve will be invested in accordance with the provisions laid down in the Regulations and under the supervision of the Supervisory Committee.

(11) The reimbursement drawings will be held under the supervision of the Directors and Supervisors of the Central Trust of China, the Supervisors of the Society, the Auditors and four bondholders chosen from among those present.

*For full particulars, please apply to*

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## EURASIA AVIATION CORPORATION

### TIME TABLE

(Effective from April 1, 1936).

SHANGHAI - KUNMING (YUNNAN FU) LINE

| *West Bound* | | | | | | *East Bound* |
|---|---|---|---|---|---|---|
| Every | 6.30 | Dep. | Shanghai | Arr. | 18.15 | Every |
| Tues. | 7.45 | Arr. | Nanking | Dep. | 17.00 | Thurs. |
| & | 10.40 | Arr. | Chengchow | Dep. | 14.10 | & |
| Fri. | 13.20 | Arr. | Sian | Dep. | 11.30 | Sun. |
| | 16.00 | Arr. | Lanchow | Dep. | 8.00 | |
| | 17.00 | Arr. | Chengtu | Dep. | 8.00 | |
| Every | | | | | | Every |
| Wedns. | 8.00 | Dep. | Chengtu | Arr. | 16.30 | Wedns. |
| & | | | | | | & |
| Sat. | 11.30 | Arr. | Kunming | Dep. | 13.00 | Sat. |

PEIPING - CEENGCHOW LINE

| *South Bound* | | | | | | *North Bound* |
|---|---|---|---|---|---|---|
| Every | | | | | | Every |
| Tues. | 7.00 | Dep. | Peiping | Arr. | 17.30 | Thurs. |
| & | | | | | | & |
| Fri. | 10.30 | Arr. | Chengchow | Dep. | 14.00 | Sun |

LANCHOW - PAOTOW LINE

| *North Bound* | | | | | | *South Bound* |
|---|---|---|---|---|---|---|
| Every | 8.00 | Dep. | Lanchow | Arr. | 17.20 | Every |
| Wedns. | | | | | | Wedns. |
| | 10.20 | Dep. | Ninshia | Dep. | 15.20 | |
| | 12.20 | Arr. | Paotow | Dep. | 13.00 | |

NOTES: 1. This time table is effective on and after 1st. April, 1936 and is subject to change without notice.
2. Special flights to other places can be arranged by special agreement.

## Latest New York Stock Exchange Quotations

April 8, 1936

Stock Exchange— Business Done:-

Total Volume: 1,570,000 Shares

| 1935-36 High | 1935-36 Low | Div. $ per sh. | STOCKS | Last Sale Apr. 6 | Last Sale Apr. 7 |
|---|---|---|---|---|---|
| 13¾ | 4¼ | 0.10 | Adams Express | 13¼ | 12⅝ |
| 149⅝ | 110 | 4.00 | American Can | 121¾ | 121 |
| 39½ | 20⅛ | 0.60 | Amer. Cyanamid "B" | 37¼ | 37 |
| 9⅝ | 2 | — | American & For. Power | 9⅜ | 9¼ |
| 42 | 14 | — | American & Foreign Pwr. $7 pfd. | 37⅞ | 40¼ |
| 27¼ | 10½ | — | American Radiator | 23¾ | 23¼ |
| 177¼ | 98⅞ | 9.00 | American Tel. & Tel. | 167½ | 169 |
| 107 | 74¾ | 5.00 | American Tobacco "B" | 94 | 94 |
| 23¾ | 7⅛ | — | American Waterworks | 23¾ | 23⅞ |
| 38½ | 8 | 0.25 | Anaconda Copper | 38½ | 37⅝ |
| 80 | 35⅝ | 2.00 | Atchison, T. & S. Fe | 78⅛ | 77¾ |
| 53½ | 15 | — | Auburn | 49⅞ | 49⅝ |
| 24 | 7¼ | — | Baltimore & Ohio | 21⅞ | 21 |
| 63⅛ | 21⅝ | — | Bethlehem Steel | 63¼ | 62⅛ |
| 26¼ | 6¼ | — | Boeing Airplane Co., | 23⅛ | 22¼ |
| 15⅞ | 3⅝ | — | Canadian Pacific Railway | 13¼ | 13⅛ |
| 163½ | 45¾ | — | Case, J. I. | 162 | 160 |
| 47⅞ | 20¼ | 1.40 | Chase National Bank | 39⅞ | 39½ |
| 74 | 35 | 3.00 | Chesapeake Corp. | 66 | 66 |
| 60⅝ | 37½ | 2.80 | Chesapeake & Ohio | 57⅝ | 57⅝ |
| 103 | 31 | 4.00 | Chrysler | 103 | 101⅝ |
| 21⅛ | 3⅝ | 0.20 | Columbia Gas & Electric | 21⅛ | 21⅜ |
| 24⅛ | 16¼ | 0.60 | Coml. Solvents | 21⅞ | 20¾ |
| 4⅝ | 0⅝ | — | Commonwealth & Southern (ord.) | 3 | 2⅞ |
| 36⅞ | 15⅞ | 1.00 | Consolidated Gas of N. Y. | 34½ | 34¾ |
| 15¼ | 6¼ | 0.25 | Consolidated Oil | 14⅜ | 14½ |
| 38½ | 15⅛ | .87½ | Continental Oil | 36⅛ | 36 |
| 78⅝ | 60 | 3.00 | Corn Products | 74⅛ | 78 |
| 78¾ | 17½ | 0.75 | Douglas Aircraft | 68¾ | 67⅞ |
| 151¾ | 86⅝ | 3.60 | Du Pont de Nemours | 151¾ | 151¾ |
| 24¾ | 8¼ | — | Electric Bond & Share | 23⅞ | 23⅝ |
| 41½ | 20½ | 0.80 | General Electric | 40⅛ | 40 |
| 37¼ | 30 | 1.80 | General Foods | 36½ | 36¼ |
| 70⅝ | 26⅝ | 2.00 | General Motors | 70⅝ | 69¾ |
| 50 | 15⅝ | 1.00 | General Railway Signal | 44½ | 44½ |
| 22 | 14⅝ | 1.20 | Gold Dust | 19⅞ | 19⅞ |
| 30⅝ | 15¾ | — | Goodyear Tire & Rubber | 28⅝ | 28½ |
| 75½ | 44 | 1.00 | Humble Oil | 71¼ | 71 |
| 53⅛ | 22¼ | 1.00 | International Nickel | 49⅜ | 49 |
| 19 | 5⅝ | — | International Tel. & Tel | 16⅝ | 16⅜ |
| 40⅛ | 13¾ | 1.00 | Kennecott | 40¼ | 39¾ |
| 55¼ | 31¼ | 2.00 | Loew's Inc. | 47⅜ | 46¾ |
| 26⅛ | 18½ | 1.20 | Lorillard | 23 | 22¼ |
| 103 | 56 | 1.00 | Monsanto Chemical | 101¼ | 101¼ |
| 45 | 21¾ | — | Montgomery Ward | 44¼ | 44½ |
| 41⅞ | 18½ | 1.00 | National City Bank | 35⅝ | 35⅜ |
| 25 | 12⅞ | 1.20 | National Dairy Prods. | 23½ | 23¼ |
| 34⅛ | 23⅛ | 2.80 | National Distillers | 32¼ | 32⅛ |
| 14⅜ | 4⅞ | 0.60 | National Power & Lt. | 11⅝ | 11⅝ |
| 40⅜ | 12¼ | 0.10 | New York Central | 39 | 38⅜ |
| 29¾ | 9 | 1.00 | North American | 27⅝ | 28 |
| 36⅓ | 13⅛ | 1.50 | Pacific Gas & Electric | 34⅜ | 33¼ |
| 56¾ | 19 | 2.40 | Pacific Lighting | 53 | 53¼ |
| 12¼ | 3½ | 0.10 | Packard Motors | 12 | 11¾ |
| 38⅝ | 17¼ | 1.00 | Pennsylvania Railroad | 35 | 34¾ |
| 49 | 13¾ | 1.00 | Phillips Petroleum | 48½ | 48⅜ |
| 48¼ | 20⅜ | 2.40 | Public Serv. of N.J. | 40⅝ | 42⅛ |
| 14¼ | 4 | — | Radio Corporation | 13⅜ | 13½ |
| 58⅝ | 43¼ | 3.00 | Reynolds Tobacco "B" | 58⅜ | 58⅛ |
| 56¾ | 22 | — | Schenley | 46 | 46⅛ |
| 69⅞ | 31 | 2.00 | Sears Roebuck | 69 | 68⅛ |
| 17 | 10⅝ | 0.40 | Socony-Vacuum | 15 | 15 |
| 28¼ | 10⅝ | 1.50 | Southern California Edison | 27⅛ | 27 |
| 38½ | 12¾ | — | Southern Pacific | 36¾ | 36 |
| 19¼ | 12½ | 0.80 | Standard Brands | 16⅞ | 16⅛ |
| 9¼ | 1½ | — | Standard Gas & Electric | 8⅛ | 8⅛ |
| 69½ | 35⅝ | 1.00 | Standard Oil Co. of N. J. | 66⅞ | 66⅝ |
| 71¾ | 58¾ | 3.50 | Sterling Products | 70½ | 71 |
| 38¾ | 28⅜ | 2.00 | Texas Gulf Sulphur | 35½ | 35½ |
| 14⅝ | 4⅞ | 0.30 | Transamerica | 13¾ | 13¾ |
| 86¼ | 44 | 2.00 | Union Carbide & Carbon | 86 | 87¾ |
| 138¼ | 82¼ | 6.00 | Union Pacific | 133¼ | 133 |
| 31⅝ | 9⅞ | — | United Aircraft (New) | 26¼ | 25¼ |
| 20⅞ | 4½ | — | United Airline Trans. | 20¼ | 19½ |
| 8½ | 1½ | — | United Corporation | 7¼ | 7¼ |
| 19¼ | 9¼ | 1.00 | United Gas Improvement | 16⅛ | 16⅛ |
| 57⅛ | 35¼ | 2.00 | U.S. Indus. Alcohol | 55¾ | 55 |
| 29¾ | 9⅛ | — | U. S. Rubber | 29⅜ | 30 |
| 71½ | 27¼ | — | U. S. Steel | 71½ | 70 |
| 26½ | 11¼ | — | Vanadium | 24⅝ | 23½ |
| 14 | 2¼ | — | Warner Bros. Pictures | 12 | 11¾ |
| 122½ | 32⅝ | 1.75 | Westinghouse Electric | 122½ | 120½ |

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# The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

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## FINANCIAL TROUBLES OF AMERICAN SCHOOL FROM RAVEN COLLAPSE

THE announcement by the Chamber of Commerce of a campaign for funds for the support of the American School brings home again to the American community its collective loss resulting from the collapse of the Raven enterprises. In the issue of *The Review* for March 14 (Page 64) there appeared an article reprinted from the *Chinese Recorder* showing that missionaries and missionary institutions were affected by the Raven crash to the extent of $4,000,000 Chinese currency and in addition to these actual losses it was stated that missionaries and missions still held some $1,200,000 loan certificates in the Raven realty subsidiary, the value of which is regarded as problematical.

As so much of corruption, treachery and inefficiency in the conduct of banking and financial institutions was disclosed in the course of the recent trial and conviction of two officials of these defunct enterprises, the American community will be able to withstand the further shock that its local school was victimized to the extent of $151,000. As the American public, which supports the school either in the form of tuition fees or donations, must make up this loss, it is assumed that the Chamber of Commerce or the School Board will shortly issue a statement giving details of the losses and the resulting effect on the school's finances. Sometime ago it was reported that the Board of Managers of the School had voted to assume collective responsibility for the inevitable criticism of its policy in keeping most of its funds in one bank. As a result of this action it was stated that the Board had decided not to attempt to place responsibility on individuals, particularly members of the staff.

While this action was commendable, at least from the standpoint of responsibility of the school principal or staff members, it was not so creditable from another standpoint — that the Board of Managers of the School included members who also served, or had served until quite recently,

as directors of the American Oriental Bank and affiliated enterprises. It would seem that the action of the full membership of the School Board in assuming collective responsibility for the blame resulting from depositing the institution's funds in an unsound bank constituted unnecessary altruism because of the presence, or recent presence on the Board of individuals who were or recently had been intimately connected with the Raven enterprises. In making this statement we are not alleging that all persons who served as directors or employes of Raven enterprises knew what Mr. Raven and some of his associates were doing with money belonging to other people. But we do know that Mr. Raven must have exerted special influence somewhere to induce the School authorities to deposit *nearly* all of the School's funds in his bank. We italicised the word "nearly" because we were informed by one of the members of the Board, now deceased, that he had been responsible for switching a portion of the funds to another bank prior to the Raven crash.

It has been reported that a considerable portion of the funds lost in the Raven collapse consisted of donations to the school's endowment or building projects by friends in the United States; hence this loss at least did not impair the institution's actual operation. But this factor will adversely affect the school through making it more difficult to obtain funds from similar sources in future. For this reason and others unnecessary to state here it is assumed that those in authority will make a complete statement of the circumstances involved in the loss of funds in the Raven crash, particularly in view of the financial campaign in support of the School which has just been announced by the American Chamber of Commerce.

## RECENT SIGNIFICANT NEWSPAPER DEVELOPMENTS IN CHINA

A FEW days ago there was a brief note in the local *Shun Pao* stating that the officials of the Hopei-Chahar Political Council at Peiping had suddenly decided to "reorganize" the *Chen Pao*, leading newspaper in Peiping. Nothing was said about the reason for this unusual action, it merely being reported that all of the members of the staff had "resigned," and in consequence the paper had been turned over to a new board of directors appointed by the Council. Chen Po-sen and Lin Chung-yi, president and manager respectively, refused to have anything further to do with the paper after the official reorganization.

It may have been a coincidence but a few days prior to the action of the Peiping authorities in reorganizing the *Chen Pao*, the paper published a significant editorial dealing with the matter of China's policy in the event of a war between Japan and the Soviet Union. After referring to the crisis now existing on the Manchurian-Mongolian Siberian borders, the *Chen Pao* inquired, "What about China's position...." The paper then speculated on the possibility of China's maintaining neutrality and declared that the Chinese authorities should have sufficient courage to take a definite stand somewhere and cease drifting with the conflicting currents. Finally the paper said that the present crisis in the Northeast between Russia and Japan was in a sense due to China's negligence of her responsibilities. China should protect her own sovereignty and put a stop to other nations fighting over China's territory. . . . . "We are tired of hearing of 'long-period' resistence. . . . we requre something more definite to cope with the coming Soviet-Japanese war. . . ."

It was only a few days after the publication of that editorial that the Peiping authorities, amenable to Japanese military influence, stepped in and "reorganized" the *Chen Pao*.

The other development in newspaper journalism in China was the opening here, on April 1, of a Shanghai branch and publication of a Shanghai edition of the *Ta Kung Pao*. Shanghai residents who travel back and forth from their homes to their offices along Avenue Edward VII doubtlessly have noticed the new sign and Chinese characters standing for the title of the paper. The characters mean, "Big Public Newspaper," and they have had a special significance to thousands of Chinese newspaper readers in North China where the *Ta Kung Pao* has occupied a special position for many years being the outstanding liberal paper of that section. The paper was founded in 1902 at Tientsin and won fame originally by courageously opposing the Empress Dowager. The present staff is composed of Hu-lin, Managing Director; Lee Tze-kuei, Vice-director; Chang Chi-luan, Editor in Chief; Chang Ch'ing-lan, Managing Editor. It's original issue here on April 1 went to 60,000, probably including the entire mailing list in North China as well as local sales. While not announced by the management the establishment of the Shanghai edition probably constitutes an "anchor to windward" as political pressure on the Tientsin edition is becoming more severe, despite its location in a foreign concession.

The fact that one important Peiping paper has been forced to reorganize and the leading Tientsin paper has felt it necessary to establish a Shanghai office provides a fairly accurate index of conditions in North China—where 52 more stuents have been arrested in recent days and where the so-called First Model Prison contains 31 inmates held for politiical crimes, 40 of whom are students being held on 3 to 8 year terms. One little girl from a normal school who was arrested in 1934 is serving a 12 year sentence, the charge being "communism."

## BANK OF CHINA ANNUAL REPORT REVEALS HEALTHY CONDITION

THE report of T. V. Soong, chairman of the Bank of China, made to the annual meeting of Shareholders on April 4, is a document of great economic and financial value, apart from the information that is given regarding the Bank itself. The fact that the Bank made a profit of $3,602,357.98 last year is in itself ample evidence of the fact that the management is in expert hands. Mr. Soong, discussing the monetary and financial situation, surveyed world conditions, commencing with the abandonment of the gold standard towards the end of 1931, and the subsequent devaluation of the dollar in 1933, up to the present time. These two momentous events, coupled with the drain of silver from China through the "no man's land" in North China, brought about a situation which determined the Government to issue the decree of November 3 last, whereby the notes of the Central Bank of China, the Bank of China and the Bank of Communications were made the sole legal tender, against which holdings of silver in the hands of the public were to be exchanged within a period of three months, later extended to six months. Five months have now elapsed since the introduction of China's new monetary policy and exchange rates have remained remarkably stable despite the decline in the price of silver of about 30 per cent. The report pointed out that with the adoption of the new currency system closer cooperation between the banks in China will be more than ever necessary. Mention was also made in the report of the fact that the Bank was establishing Overseas agencies. In this connection it may be mentioned that the American authorities end of last week granted the necessary permission for a branch of the Bank of China to be opened in New York City. The Bank has invited Wang Chenghsu, younger brother of Dr. C. T. Wang, former Minister of Foreign Affairs, to serve as manager of the branch office in New York.

Despite a substantial fall in the total value of China's imports from the United States last year, that country continued to occupy the leading place as a supplier of foreign goods to China. Japan, which again occupied the second place, increased its exports to China by $12,707,000, while Germany moved up from the fourth place to third, displacing Great Britain. There was no remarkable change last year in the order of the countries to which China's exports were dispatched. The U.S. headed the list, and increased its imports from China by $41,975,000. Hongkong, which is, of course, very largely an entrepot centre, fell from first to second place, followed in order by Japan and Great Britain. The position of France and Germany remained unchanged, but each country purchased goods from China to a greater value than in the preceding year.

The following figures show the percentage of the total value of China's recorded imports and exports dealt with at the principal ports in 1934 and 1935. These figures cannot, it was pointed out, be regarded as strictly accurate owing to the prevalence of smuggling in those parts of the country recently subject to political disturbances.

**Distribution of China's Foreign Trade by Ports, 1934 and 1935**

| *Ports* | *Percentage of Total Imports* | | *Percentage of Total Exports* | |
|---|---|---|---|---|
| Shanghai | 57.80 | 54.90 | 50.83 | 50.14 |
| Tientsin | 9.30 | 9.21 | 15.13 | 15.82 |
| Kowloon | 7.23 | 7.61 | 1.03 | 0.98 |
| Tsingtao | 4.67 | 5.54 | 6.59 | 8.42 |
| Canton | 3.26 | 3.65 | 8.80 | 6.93 |
| Hankow | 3.10 | 3.59 | 1.84 | 2.19 |
| Swatow | 2.51 | 3.08 | 2.96 | 2.99 |
| Amoy | 1.57 | 1.59 | 0.66 | 0.64 |
| Nanking | 1.78 | 1.39 | 0.03 | 0.08 |
| Mengtsz | 0.82 | 0.72 | 2.37 | 2.94 |
| Wuchow | 0.50 | 0.69 | 1.87 | 1.55 |
| Other Parts | 7.46 | 8.03 | 7.89 | 7.32 |
| Total | 100.00 | 100.00 | 100.00 | 100.00 |

As regards the principal commodities imported into China last year, rice, which took third place in 1934, rose to first place by increasing from $65,685,00 to $93,333,000. Metals and minerals, which occupied first place in 1934, came next in order, the total recorded imports being reduced by $2,900,000. The group including machinery and tools, which was fourth in 1934, rose to third place, and was followed by raw cotton which had been second in 1934. The leading position among Chinese exports last year was taken by metals and minerals, which occupied third position in 1934. An increase of $15,366,000 in exports of wood oil had the effect of raising that commodity from sixth to second place. Raw silk rose from seventh to third place, while eggs and egg products remained fourth in order of amount. Tea, which occupied the first place in 1934, fell to the fifth position as a result of a decrease in exports amounting to $6,457,000. An increase of $13,836,000 in the value of exports of seeds raised that commodity from the ninth to the sixth position.

Unless an abnormal change takes place in the relations of international exchange, Chinese currency will remain as it is and no attempt will be made to peg it to the pound or American dollar. Mr. Soong added that the preference for commercial rather than Government institutions previously prevailing in some quarters no longer exists. Striking proof of this, he said, has been shown in the Bank of China's record increase of deposits since the change of the administration. The amount of $766,000,000 deposited last year represented a gain of $219,000,000 over the previous year.

With the enforcement of the new currency policy, the power of the Government has been strengthened, and on the other hand its responsibility is much heavier, Mr. Soong said. Hitherto the country's financial structure has been little affected by any political change. Such is not the case now since banking, commercial and Government interests are all pooled together as in other countries.

Mr. Soong disclosed that the proceeds of the sale of 50,000,000 ounces of silver at 65 cents U.S. Gold per ounce had been converted into gold and are now deposited in America. The note-issues of the Government banks have been increased by $200,000,000. This was due to three reasons: commercial banks have less notes in circulation; a large quantity of silver has been exchanged for notes, and more notes are wanted by foreign banks.

Commenting on the annual report of the Bank of China, the *Shun Pao*, leading Chinese newspaper in Shanghai, declared in an editorial on April 5 that credit should be given to the Bank for its excellent work in helping the people to avoid a complete breakdown in the Chinese market.

# Japan Would Control Customs or Smash Service—Cadogan Goes to Tokyo!

NO great perspicacity is needed to understand a chief reason for Sir Alexander Cadogan's decision to visit Tokyo prior to his return to London to assume a post in the Foreign Office. That Cadogan's trip to Tokyo was regarded as a matter of some importance was indicated in reports published in the Japanese newspapers last week. The *Hochi*, after referring to a call of Sir Robert Clive on Mamori Shigemitsu, Vice-Minister of Foreign Affairs at Tokyo on March 27 for the purpose of making arrangements for the visit of Cadogan, said that the purpose of the visit was to discuss the China situation. But other papers in Tokyo were not so reserved. They declared that Japan was determined to break up the present British control of the Chinese Customs Administration and obtain the appointment of a Japanese to the post of Inspector-General now held by Sir Frederick Maze. The Japanese papers said further that it was necessary to have a Japanese in the office of Inspector-General of Chinese Maritime Customs in order to carry out Japan's programme of a Japan-China-Manchukuo "bloc," most important element in Koki Hirota's three-point programme.

Major-General Rensuke Isogai, who recently retired as Japanese Military Attache in China, stated in the course of an interview (*Domei*, April 2) upon his return to Tokyo that in his frequent conferences with Sir Frederick Leith-Ross, British Economic Adviser in China, the chief subject discussed had been Anglo-Japanese cooperation in the development of China and the manner in which "Britain's position in China could be protected."

The Japanese newspapers in Shanghai also attached special significance to Cadogan's visit to Japan. The *Shanghai Nippo* said that since Britain is likely to be entangled in a war in Europe and menaced by Soviet influence in India, Afghanistan and Tibet, it is "imperative for the British to adopt a policy of cooperation with Japan in order to preserve her traditional privileges in the Far East all British interests in China are well aware of the necessity of maintaining friendly relations with Japan. Ambassador Cadogan will be warmly welcomed in Japan. it is necessary for all powers to realize the close connections between Britain and Japan when they

JAPANESE EXPANSION SINCE 1895

**The map indicates territories acquired by the Japanese empire in a steady movement of expansion at China's expense, since 1895. These territories are: (1) Formosa, 1895; (2) Liaotung, 1904; (3) Karafuto, 1905; (4) Corea, 1910; (5) Manchukuo, 1932; (6) Jehol, 1933; (7) five provinces of Northern China, 1935; (8) parts of Inner Mongolia, 1935-'36; (9) Japanese troops reported in frequent clashes with Russian-dominated Outer Mongolian soldiers. Japan has been accused of planning the conquest of Outer Mongolia.—Map from Chicago Tribune.**

carry on their policies toward China." The *Shanghai Mainichi* referred to Britain's predominant position in the reconstruction of China and alleged that the Nanking Government had turned over Central and South China to Britain . . . "But it will be necessary for Britain to cooperate with Japan in order to preserve British privileges in China."

In an interview with representatives of local newspapers prior to his departure from Shanghai on April 5 Sir Alexander Cadogan said there was nothing he would rather see than Anglo-Japanese cooperation but made no further reference to the object of his two-day stop over in the Japanese capital.

Aside from the racketeering element in Japan's smuggling activities in North China there is a deep political and ecomonic motive involved in Japan's attempt to compel China to appoint a Japanese as Inspector-General of Customs in place of Sir Frederick Maze and at the same time consent to a general revision of customs duties that would place Osaka manufacturers in a preferred position with respect to international competition in China. It is in this manner that Japan would enforce an important phase of her "3-point" programme involving the creation of a Japan-China-Manchukuo "economic bloc," the main objective of which would be the elimination of Anglo-American and other occidental interests and trade competition in all parts of the Chinese republic somewhat as now prevails in the puppet state of Manchukuo. As Great Britain regards the control of the Chinese Maritime Customs Administration as a vested British interest it is obvious that British officialdom has not looked favorably upon the Japanese demand for control of the service; hence the Japanese have used the oblique method of secretly encouraging their nationals to engage in the smuggling trade, hoping in this manner to bring both China and Britain to terms. They have not as yet succeeded, but they have accomplished two things: they compelled the British Government to send its chief financial and economic adviser, Sir Frederick Leith-Ross, to the Far East where he has maintained close relations with both Chinese and Japanese officialdom, particularly Japanese military leaders. Japan's other accomplishment has been the almost complete wrecking of the Customs Administration in North China, the officially-encouraged smuggling situation having become so serious that more merchandise is entering the country by the smugglers' routes than through the normal channels at the Britsish-administered Customs Houses. What the outcome will be no one can forecast at this time, but there probably has never been a similar case in modern history where one nation deliberately set out to wreck another's customs administration by means of officially fostered smuggling.

Numerous reports bearing on this situation have appeared in *The Review* in recent weeks, but of special interest was a report in the *North-China Star* on March 31 stating that eight Japanese ships, carrying huge quantities of goods, were anchored at Peitaiho beach on the preceding Sunday while a horde of Japanese and Korean smugglers were engaged in transporting the cargo, mostly sugar and wearing apparel, ashore. The report stated that Peitaiho beach, normally a pleasure resort and not an open port, now resembled a booming town. Ricksha coolies, fishermen, watchmen employed at foreign and Chinese beach houses had become stevedores and were reaping a rich harvest in working for the smugglers. Japanese ships were coming and going at will and traffic in contraband merchandise was in full swing. Space is not available for reference to all of the reports on the subject which have appeared in the Chinese newspapers since the publication of the last reference in these columns on March 28. However, a few of the reports are of special interest: The *Sin Wan Pao* stated that on April 4 the Japanese smuggled 3,670 tons of sugar, 400 bales of artifical silk and 1,321 tons of cotton cloth into Tientsin by way of Liusouyin and Peitaiho. The official *Central News* in a report from Tientsin on April 6 said that smuggling in March had decreased somewhat from February, the amount estimated in March being 20,600 tons while the amount estimated for February had been 3,600 tons higher. Another dispatch through *Central News* said that smuggling through the East Station on April 3 included 600 tons of sugar, and 40 tons of rayon. On April 1 the amount smuggled into North China by Japanese subjects included 640 tons of sugar and 30 tons of artificial silk. The *Ta Kung Pao* added another item to the list of smuggled articles, cigarette paper, and said that smuggled articles at Petiaiho exceeded 900 parcels a day, 1,000 parcels at Nantashih and 2,000 at Chinwantao.

The *Shun Pao* on March 31 reported that a British customs inspector at Tientsin, whose name was not given, had been seriously beaten and injured by Japanese smugglers when he attempted to interfere with their activities at the port of Chinwantao. The report stated that when the British inspectors attempted to interfere with the activities of six Japanese smuggling ships they were attacked by a gang of 30 armed Japanese smugglers resulting in one of the British inspectors suffering two broken legs. A further report in the *Shun Pao* stated that an attempt on the part the Chinese railway authorities in refusing to transport smuggled merchandise had failed because

of the extensive use of motor trucks by the Japanese smugglers. The same paper claimed that losses suffered by the Tientsin customs house exceeded $10,000 a day. It also was claimed that smuggled goods was now appearing on the markets as far south as Shantung while certain articles, particularly Japanese motor tires were appearing on the Shanghai market.

# Japanese Plan to Greatly Increase Strength of Army in Manchukuo

THE *Manchuria Daily News*, the mouth-piece of the South Manchuria Railway and the Kwangtung Army, ("the world's worst newspaper"), April 3 came into the limelight again with a "warning" to Soviet Russia that "two powerful nations, Japan and Germany, will form the opposition." The *News* added that Soviet Russia is preparing for the attack, "when the right moment comes." Present indications are that Italy also will be ranged alongside Germany and Japan. *News-Week* of March 14, in reviewing the situation in Europe last month said: "In answer to the League's plaintive ultimatum, Benito Mussolini agreed to talk peace over Ethiopia and stopped the war. The next day, German troops occupied the Rhineland. The day after that Mussolini started his war all over again."

A *United Press* message from Tokyo, April 6, stated that plans for an increase in the number of troops stationed in Manchukuo, with a view to coping with the Soviet Far Eastern Army, are being drafted by Army authorities there, and a large appropriation to carry out the program will soon be sought. The principal causes of the recent frequent border disputes between Manchukuo and Outer Mongolia are, in the opinion of the Army authorities, firstly the nonexistence of a clearly defined border and, secondly, the reported increase in strength of the Far Eastern Army of the U.S.S.R. The Japanese Army authorities, accordingly, are drawing up an additional appropriation bill with a view to carrying out the plan, beginning with the present fiscal year. The program is expected to be completed within five years, at a total expenditure of Y.1,000,000,000. One can only wonder where all this money will come from.

—*Rochester Times-Union*

RISING OVER THE HORIZON

**Gaimusho Spokesman Comments on Soviet-Mongol Pact**

Asked by foreign correspondents whether Japan would protest against the Soviet-Outer Mongolian mutual assistance pact, a spokesman of the Foreign Office in Tokyo, April 6, said that the Government had no knowledge on the text of the agreement, reportedly signed on Mar. 12. He, however, pointed out that in the Sino-Soviet treaty of 1924, Moscow recognized China's territorial integrity, acknowledged that Outer Mongolia is a part of China, and stipulated the withdrawal of Soviets from Outer Mongolia.

Commenting on the formal denial by the Nanking Foreign Ministry of the reported secret agreement between China and the U.S.S.R., the *Shanghai Nippo* emphasized that the traditional policy of the Chinese authorities is to keep friendly relations with some powers, and repulse the influence of others. Dwelling on the historical trend of the Kuomintang regime, the *Nippo* stated that the natioal revolution, with General Chiang Kai-shek as the centre, attempted to rebut the influence of the British with the support of Japan and the Soviet Union. "Later on," the paper continued, "the Chinese people turned their spears againts Japan with the support of British and Soviet interests." "At present, being fully aware of the inevitability of Sino-Japanese cooperation, the Nanking authorities are intentionally seeking an agreement with the U.S.S.R., in order to promote her rapprochement with Japan. "The so-called secret agreement will only be effective should some trouble occur. However, among the signatories of a secret agreement, only the more powerful party can hope to enjoy its privileges."

**"Izvestia" Points out Lack of Coordination Between Japanese Government and Army**

*Izvestia*, commenting on the report in the Japanese newspapers that even the Ministry of Foreign Affairs did not have any official information concerning events at Tamsyk-Bulak on March 31 for two days and learned about them only from the *Tass* report, writes: "Thus the Japanese Government has finally forced itself to acknowledge that the Command of the Kwantung Army not only considers it unnecessary to coordinate its plans with the Government but even fails to inform the Government concerning the carrying out of these aggressive plans on the Sovieto-Manchurian and Manchukuo-Mongolian borders."

### Soviet Frontier Guards Are Decorated

Twenty-seven frontier guards in the Far East were awarded April 4 the Order of the Soviet Union for vigilance and courage displayed during recent events on the border of the U.S.S.R.

### Manchukuo "Warns" Outer Mongolia

Manchukuo April 2 warned Outer Mongolia that, unless the latter took measures to "halt the illegal activities" of its forces, "grave consequences," would follow for which Outer Mongolia would be held "solely responsible."

### Japanese Report Says Soviets Have 75 Warships in Vladivostok

According to a cabled report reaching Tsuruga (published in Tokyo *Hochi* March 29) the augmented Far Eastern naval force of the Soviet Union at Vladivostok consists of 50 submarines, 10 large-size gunboats and 15 smallsize gunboats; this, in addition to the Amur river fleet consisting of large river, gunboats, numbering five, and small-size gunboats numbering five, and two airplane vessels and other smaller craft.

### Outer Mongols Deny Use of Poison Gas in Border Conflict

Allegations made by the Japanese authorities at Changchun that the Outer Mongols who fought a Japanese-Manchukuo detachment in the vicinity of Lake Buyer Nor Mar. 31 and April 1 used poison gas and gas bombs were categorically denied in Ulan Bator April 3.

### Manchukuo Claims Right to Discuss Outer Mongolia

The Manchukuo Foreign Office in a statement this week claimed a right to discuss the state of affairs in Outer Mongolia on the grounds of propinquity and blood relationship. The declaration commented on the recent signing of a treaty of mutual assistance between the Moscow and Ulan Bator Hoto Governments. "The conclusion of such a protocol when Outer Mongolia has been isolated from the world, including China, is tantamount to the absorption of Outer Mongolia by the Soviet Union," the statement read. "This act of brigandage perpetrated by Moscow in connivance with a few members of the Ulan Bator government who disregarded the wishes of the people, should be publicly denounced by the entire world," it continued. "The treaty, officially described in Moscow as a protocol for mutual assistance, is regarded by the Manchukuo Government as a military alliance directed against Manchukuo," according to the statement.

"The protocol," it was further charged, "violated articles IV and V of the Sino-Soviet Agreement and in effect transformed Outer Mongolia as the base for the Bolshevization of the Far East."

"This country, with an extensive border line adjoining that area and related through blood with the inhabitiants of Outer Mongolia, cannot recognize this state of affairs. We also believe that China cannot remain silent in the face of these grave developments," it went on.

"In addition, this country, a neighbor of Outer Mongolia, and related to its people through blood, we believe is entitled to have as much or even greater interest in the area as Soviet Russia and is also entitled to close relations and a voice in the conduct of its affairs.

"Especially when the strengthening of the Soviet Union's position in Outer Mongolia immediately results in an extension of Communist power in that area and creates a menace to our country, we find it that it is only natural for our country to expect a state of affairs where it will be necessary for this country to take suitable and effective measures in Outer Mongolia to guarantee our own safety," the statement further declared.

### Soviet-Japanese Radio War in Sight

Spurred by reports of the projected establishment of powerful radio broadcasting stations in China and Soviet Russia, the Japanese government April 5 prepared to increase fifteen-fold the output of three key outlets. According to present plans, 150-kilowatt stations will be built in Chiba prefecture, near Tokyo, at Osaka and in northern Kyushu. These plants will replace the present 10-kilowatt stations in operation in those localities. Equipment for stations, respectively of 50 and 10 kilowatt output, have been ordered from Germany for installation in Canton and Kwangsi, reports in Tokyo stated.

### Lieut.-Gen. Nishio Blames Moscow for Border Clashes

Responsibility for the recurrent clashes along the Soviet-Manchukuo border was laid at the doors of Moscow by Lieut.-Gen. Toshizo Nishio, the newly-appointed Assistant Chief of the Army General Staff, on his arrival in Tokyo from Manchuria April 3. He declared Japan must not fear the possibility of a war with Soviet Russia, but Japan must be prepared and determined to meet any emergency. The border disputes between Soviet Russia and Manchukuo, in his opinion, could be settled by the withdrawal of Soviet Far Eastern military establishments from the frontier zone. "Moscow, however, would probably never accept this proposal. This may necessitate steps to ensure such a withdrawal."

Soviet-Japanese border clashes will cease "automatically" with an increase in the strength of Japanese frontier forces, Lieut.-Gen. Toshizo Nishio, declared, on his arrival in Shimonoseki, April 2 from Manchukuo. "The crossing of Manchukuo borders by Soviet troops is an old Soviet custom. The trivial frontier incidents will never disturb Japan," the officer added.

Unless Moscow agrees to the demilitarization of the Soviet-Manchukuo border zone, the Army will have no alternative but to strengthen its armaments in Manchuria, informed military quarters declared in Tokyo, Apr. 2.

Tokyo military circles contend that the major cause of border incidents is the concentration of Soviet forces in the Far East, which are estimated at more than 200,000 strong, as contrasted with less than 70,000 Japanese troops in Manchukuo.

### Japan Is Opposed to New Franco-Soviet Pact

Japan's dissatisfaction with the Franco-Soviet pact of mutual assistance was made known to the French Ambassador in Tokyo, Mar. 26 by K. Hirota, according to the *Asahi*. Mr. Hirota, said the journal, rebutted the claim advanced by the envoy, M. Ferned Pila, that the pact was not calculated to affect the Far East. The Premier emphasized that the pact achieved the stabilization of the Soviet's western border, "thereby enabling Russia to strengthen her traditional policy in east Asia."

Fernand Pila, French Ambassador to Tokyo, recently made the following declaration to Foreign Minister Hirota in explanation of his home government's view and policy concerning the pact: "The mutual assistance pact which the French Government has concluded with Soviet Russia confines itself entirely to Europe, and the French Government is confident that the pact does not give any menace whatsoever to establishment of peace in the Far East."

### Manchukuo Rejects Mongol Note—Names Venue for Meet

In a telegraphed note to the Ulan Bator Hoto government, Manchukuo April 1 rejected the former's contention that last Sunday's border clash was the outcome of a raid by a joint Japanese-Manchukuo force upon an Outer Mongolian outpost in the vicinity of Bulundersun. Simultaneously, the Hsinking authorities suggested that the first meeting of the proposed commission for the settlement of border disputes between the two countries be called at Sanbeisu, Outer Mongolia, near the Manchukuo frontier. The Ulan Bator Hoto government named Tamsksumu, south of Lake Buyer Nor, as the proposed venue.

### Japanese Army Receives Back Two Bodies

Tension on the eastern border of Manchukuo adjoining Soviet Russia was eased April 2 following the return of the bodies of Surgeon Lieut.-Col. Minoru Minota and a private by Soviet military authorities to representatives of the Korean Army at Changlintze, where the two men lost their lives in the frontier clash on March 25.

### Japanese Bury Soviet Trooper with Military Honors

Military honors were rendered by Japanese forces at the burial of an unidentified Soviet trooper who was shot and killed in the vicinity of Chinchangkow, near Suifenho on the eastern border of Manchukuo last week, a report reaching the War office in Tokyo April 1 said. The Soviet soldier's body was allegedly found on Manchukuo soil after a combat between Japanese troops and a band of bandits who are alleged to have entered the new Empire from the Soviet side of the border.

According to the report, the outlaws were being led by Soviet soldiers in full campaign kit and the felled trooper was among these. He carried a gas mask, hand grenades, a rifle and a large quantity of ammunition. A grave marker was erected where the man was buried, while flowers were also laid on the mound, the dispatch added.

### Moscow-New-York Telephone Communication Is Inaugurated

The Soviet Union beginning of April started telephone connection with the United States. For the present the telephone communication with America will be effected via London. If required, direct radio and telephone service between Moscow and New-York will be established later.

### Soviet Plane Flies Over Pogranitchnaya

Manchukuo authorities in Pogranitchnaya, on the eastern border of Manchukuo, April 4, protested to the Soviet authorities against the flight of a Russian military plane over the town on the afternoon of April 3.

### Two Soviet Planes Cross Manchukuo Border

Less than 48 hours after the bombing of a Japanese-Manchukuo border patrol by two Outer Mongolian planes, 20 kilometers northwest of Taulan, the border forces of the two countries clashed again in the same locality in the afternoon of Mar. 30, the Kwantung Army announced in Hsinking April 1. A Japanese detachment sent to examine the scene of Friday's clash, was attacked by "one or two" Mongolian planes, the encounter lasting 40 minutes, the communique said. Half an hour after the Japanese detachment succeeded in repelling the planes, it ran into a "powerful force" of Outer Mongolian troops, supported by armored cars.

Reconnoiteaing flights of two Soviet military planes over Manchukuo northern and eastern frontier districts, were reported to the authorities Harbin April 5. The first of the two flights occurred on April 2, according to the report, when a Soviet plane flew over Mishan and Mulintze, northwest of Lake Khanka, at an altitude of 600 meters. Evading fire from Manchukuo border guards, the craft returned to Soviet territory, the report added. The other air incursion reportedly occurred the following morning, when a Soviet heavy bomber, of the "93" model, crossed the border near Heiho. After a recon-

*(Continued on page 195)*

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# Japanese Government Continues "Cheap Money" Policy

Pursuing its cheap money policy, announced when the Cabinet was formed on March 9, the Tokyo Government April 7, made public plans for the flotation of a conversion loan bearing interest of 3.5 per cent, the lowest return of any national bond issue to this date. Aiming principally at the conversion of Y.373,000,000 worth of 5 per cent bonds which mature in 1936 and 1937, the new issue, which will be floated on May 1, will total Y.331,000,000. The bonds will become due in 12 years and will be placed on the market at Y.98 against a face value of Y.100. The issue will consequently yield 3.7 per cent in simple or 3.74 per cent in compound interest. The entire issue will be underwritten by the Bank of Japan. Holders of 5 per cent bonds will also be entitled to purchase the new bonds. With financial circles predicting that the 3.7 per cent yield on the May 1 bonds would be the highest obtainable on future Government borrowing, purchasers of 4 per cent "red-ink" bonds rose appreciably. Futures on these issues jumped from Y.1.55 to Y 2, while spot sales showed gains of from Y.1.20 to Y.1.45, in mid-afternoon dealings, with additional gains of about Y.1.20 at the close of trading. With the nation owning approximately Y.2,600,00,000 of 4 per cent bonds, the advance of these issues represented about Y400,000,000 in paper profits to the treasuy. This, financial observees held, is more than enough to cover the paper losses caused by the drop of 5 to 10 sen recorded by 5 per cent bonds neaoing maturity. Meantime, Keuichiro Shimezu, Vice-Governor of the Bank of Japan, announed that the institution probably would resume by May 1 the sales of 4 per cent bonds, suspended last week in an effort to prevent speculation. Dr. Eichi Baba, Finance Minister and major proponent of cheap money, informed his Cabinet colleagues that he did not contemplate the reduction of interest on postal savings as it would have a bad influence on the diligence and thriftiness of the large number of people who are the principal depositors with the Post Office. Following the lead established by the Bank of Japan April 6 the Bank of Chosen April 7 announced a 0.1 per cent reduction in its discount rate. The bank now discounts commercial paper at a rate of 1.2 sen per day and charges interest on loans secured by national bonds at a rate of 1.3 sen a day.

### Arita Says He May Ease Off on Hirota's "3-Point" Program

Hachiro Arita, who was invested April 2 as Foreign Minister in Tokyo will not rigidly follow the Three-Point Program of his predecessor, Koki Hirota, but would be guided by the actual situation in China, a *Domei* message from Tokyo April 3 stated. As the first step in his China policy, he will seek the realization of the projected Sino-Japanese joint operations against the Chinese communists. Mr. Arita will, according to observers, strive to settle Soviet-Japanese issues "one by one", and will also seek to strengthen the tie binding Manchukuo with Nippon. All Oriental issues, Tokyo diplomatic circles declared, would be settled by Mr. Arita from "a broad standpoint," with especial regard to Japan's relations with Great Britain and the United States. He will strive to carry out the unification of Nippon's foreign policies pledged by Premier Hirota, and will also continue the latter's efforts to promote Japan's foreign trade through the elimination of foreign tariff barriers. In a statement to the press following his assumption of the portfolio, Mr. Arita emphasized the need for the suppression of communist ideas and for the termination of the economic depression now confronting Japan.

His foreign policies Mr. Arita declared, in an interview, will be based on the Imperial Rescript issued at the time of Japan's withdrawal from the League of Nations. The readjustment of Japan's relations with China and Soviet Russia and the improvement of her official intercourse with the United States and Britain must also be regulated by the terms of the edict, he said.

The rescript said, in part, : " ... the advancement of international peace is what, as evermore, We desire, and Our attitude toword enterprises of peace shall sustain no change. By quitting the League and embarking on a course of its own, Our Empire does not mean that it will stand aloof in the extreme Orient not that it will isolate itself thereby from the fraternity of nations. It is our desire to promote mutual confidence between our Empire and all the other Powers and to make known the justice of its cause throughout the world."

### New Tokyo Garrison Commander Is Appointed

Lieut.-Gen. Kohei Kashii, who led the troops which suppressed the mutiny of Feb. 26, was April 2 replaced as Commander of the Tokyo Garrison, the Eastern District Defense forces and the martial law forces by Lieut.-Gen. Tsuneichi Iwakochi. Lieut.-Gen. Iwakoshi, who last week returned from Manchuria, where he commanded detachments from the Third Division, was invested by the Emperor at the Palace in Tokyo this week. Lieut.-Gen. Kashii was originally scheduled to retire from active service on Mar. 23, holding himself responsible for the rebellion. He, however, postponed his retirement until the arrival of his successor.

### Navy Minister Forecasts Larger Appropriations

Japan must be prepared to meet larger naval appropriations in the 1937-38 fiscal year, Admiral Osami Nagano, Navy Minister, told the press in Tokyo April 7. "If it is true that Great Britain and the United States intend to build two capital ships each for replacement purposes, Japan must ensure her national defense by meeting this new construction," he added. "A considerable sum of money", he said, "will be needed for this purpose, and accordingly the nation must expect increases in the naval budget for the 1937-38 fiscal year". Admiral Nagano, it is to be noted, headed the Japanese delegation to the London Naval Disarmament Conference.

### Nakamura Is Appointed Acting Inspector-General

Lieut.-Gen. Kotaro Nakamura, Director of the Inspectorate-General of Military Education, April 1 was appointed acting Inspector-General, in the absence of Gen. Yoshikazu Hishi, who suffered a stroke two weeks ago, while addressing the graduating class of the Military Academy.

### General Nishi Transferred to Military Hospital

Gen. Yoshikazu Nishi, Inspector-General of Military Education, was transferred to the clinic attached to the Military Sugeon's College in Tokyo, April 4.

### Tachimi Picked as War Vice-Minister

Viscount Toyomaru Tachimi was selected April 3 by Gen. Count Hisaichi Terauchi, his classmate at the Military College, as parliamentary vice-minister of war.

### Additional Army Units Withdrawn from Tokyo

All officers and men belonging to the Sakura and Kofu regiments, rushed to the capital following the outbreak of the military rebellion of Feb. 26, were withdrawn from Tokyo April 5.

### 100 Japanese Planes to Be Sent to North China

A recent Tientsin message stated that the Japanese are preparing to send a squadron of 100 planes to the Tientsin Japanese airdrome, which has been recently augmented.

### Japan Has Shipbuilding Boom

Shattering all records set in the post-bellum era, orders for the construction of 30 vessels, with the total tonnage of 213,540, have been placed with Nipponese dockyards in the first three months of this year, the Nippon Shipbuilders Club announced Mar. 31.

### Minister of Finance Baba Confers with Kwansai Industrial and Financial Leaders

Dr. Eiichi Baba, Minister of Finance, April 4, conferred with leaders of finance and industry in western Japan at a 3½ hour meeting in the Osaka branch of the Bank of Japan. Twenty-seven financiers and industrialists attended.

A petition for the speedy enactment of protective legislation, drafted by the preceding Okada Cabinet but never presented to the Diet because of the dissolution of the Lower House on Jan. 21, has been filed with the Government by Japanese steel manufacturers.

### Bank of Japan Halts Sale of Bonds

In what was generally interpreted as a move to halt speculative buying of Government bonds, the Bank of Japan April 2 announced that it would stop selling Government securities "for the time being." Included are six-month rice notes with an interest of 0.75 percent.

### Baba Expected to Issue Policy Statement May 1

Anticipating heated debates in the Diet, when it convenes on May 1, Dr. Eichi Baba, Finance Minister, will shortly issue a statement clarifying his policies on the reforms in the taxation system, the issuance of bonds and the currency.

### Parties Seek Nippon Election Law Reform

A joint petition urging the Government to form a special committee to study reforms of Nippon's election law will be presented by the parties in the Lower Chamber to Premier Koki Hirota soon after the convocation of the 69th extraordinary session on May 1. The parties, including the Minseito and the Seiyukai, are reported to be anxious to carry out the projected reforms simultaneously with the political and administrative "renovation" planned by Mr. Hirota.

### Showa Steel Works Negotiating for Purchase of German Ore Treatment Patent

Takuo Godo, president of the Showa Steel Works, who inspected the Krupp Works in Germany, especially the direct iron manufacturing process for the treatment of poor ore for which the Krupp Works is world-famous, since last autumn when he visited Germany accompanied by engineers of the Japan Iron Manufacturing Company, came to Tokyo some time ago to report on his German inspection tour and to make arrangements for the purchase of the Krupp patent for the treatment of poor ore. Mr. Godo visited the Manchurian Affairs Bureau in Tokyo Mar. 26 to go over arrangements for the purchase, with the authorities concerned.

# Arita Will Follow Hirota Three-Point Program; Shansi Reds Plan Return to Old Lairs in Shensi

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Arita Will Follow Hirota's China Policy But Not "Rigidly."**
2. **Hsu Shih-ying Presents Credentials as Chinese Envoy to Japan.**
3. **Kwantung Army Will Have No Hand in North China, Says Matsumuro.**
4. **Imai Refuses to Reveal Strength of Japanese North China Garrison.**
5. **Foreign Office Spokesman Denies Secret Treaty With Soviets.**
6. **Routed Shansi Reds Plan Return to Old Lairs in Shensi.**
7. **Interior of Chinghai Province Closed to Travel by Foreigners.**
8. **Hongkong Refuses to Extradite Suspects in Wang Shooting Case.**
9. **General Li Chi-sen Denies Part in Attempt on Life on Wang.**
10. **Dr. Wang Chung-hui Certain Hu Han-min Will Join Nanking Government.**

Hachiro Arita, until lately Japanese Ambassador to China, formally assumed the post of Foreign Minister on April 2, when he was invested by the Japanese Emperor.

Japan's foreign policy will be based on the Imperial rescript issued on the occasion of her withdrawal from the League of Nations and which aims at establishing permanent world peace, Mr. Arita told newspapermen following his investiture as Foreign Minister. He declared that a readjustment of Japan's relations with China and Soviet Russia "must also be sought along the lines of the rescript," and relations with Great Britain and the United States "similarly regulated." "What is most urgent, however," he added, "is to secure East Asia against the danger of Communist ideas, and to mitigate the feelings of oppression in national, economic and other phases of the life of the Japanese nation."

Commenting on his stay in China, Mr. Arita predicted that the readjustment of Sino-Japanese relations would not be an easy task, because of "the stormy past." "In view of th briefness of my stay in Nanking, I was unable to conduct formal negotiations with the Chinese authorities," he said. "Our conversations were general, the Nanking officials giving assurances of their intention to improve the relations between the countries.

Mr. Arita would not rigidly follow the Three-Point Program of his predecessor, Koki Hirota, but would be guidd by the actual situation in China, *Domei* learned April 3 from authoritative diplomatic quarters. As the first step in his China policy, he will seek the realization of the projected Sino-Japanese joint operations against the Chinese communists. Mr. Arita will, according to these observers, strive to settle Soviet-Japanese issues "one by one," and will also seek to strengthen the ties binding "Manchukuo" with Nippon. All Oriental issues, these circles declared, would be settled by Mr. Arita from "a broad standpoint," with especial regard to Japan's relations with Great Britain and the United States. In a statement to the press April 2, following his assumpion of the portfolio, Mr. Arita emphasized the need for the suppression of communist ideas and for the termination of the economic depression now confronting Japan.

Japan's China policy will continue to be guided by the three principles enunciated last year by Premier Koki Hirota, who was then Minister for Poreign Affairs. This opinion was expressed by a high Gaimusho official April 5 as Tokyo newspapers displayed Nanking dispatches representing Chinese authorities as expecting Mr. Arita, to abandon the three principles. Chinese officials hold, these reports said, that Mr. Arita share their opinion that a strict adherence to the policy of his predecessor would have an adverse effect in normalizing Sino-Japanese relations.

The three principles are:

1. A basic readjustment of Sino-Japanese relations by means of the cessation by China of all unfriendly acts and her active and effective collaboration with Japan.
2. The regularization of the relations between China and "Manchukuo," and
3. The suppression of Communist activities in Asia and the liberation of China from the red menace.

According to a certain official in Nanking, the report to the effect that Japan will not insist upon the carrying out of Hirota's Three-Point policy is incorrect. "The present developments of events in North China tell us that instead of trying to push any negotiations along the Three-Point policy of Hirota, the Japanese authorities are taking concrete measures for a joint defence against Communists which is one of Hirota's three-points. In other words, according to the official, "the Japanese authorities are now attempting to see the realization one by one, of the three-points formulated by Hirota."

"The) reported tendency of the Nanking Government to curry favor with Moscow is not new. It is something that has been going on all the time", declared Maj.-Gen. Rensuke Isogai, who assumed the post of Director of the War Ministry's Military Affairs Bureau in Tokyo April 3. China's attitude towards Japan, the officer said, has not changed since he returned to Tokyo in February to report on the situation. "The relations between Japan and Soviet Russia", he continued, "appear to be tense, as a result of recurring border clashes, and it is impossible at the present moment to predict what will happen. "But we must not forget that it is the duty of, not only the Army, but of the people in general to develop national strength, so as to be prepared and determined to deal with the situation in a manner that would not impair Japan's national honor."

## HSU SHIH-YING PRESENTS CREDENTIALS AS CHINESE ENVOY TO JAPAN

Hsu Shih-ying, the newly appointed Chinese Ambassador to Japan, presented his credentials to Emperor Hirohito of Japan on the morning of April 6. Mr. Hsu succeeded Gen. Chiang Tso-pin, who has been appointed Minister of the Interior in the Nanking Cabinet. Hachiro Arita, the new Foreign Minister, who has formerly served as Ambassador to China, witnessed the ceremony, during which Mr. Hsu presented his credentials and the letter of recall of his predecessor. Following the audience, Mr. Hsu, accompanied by his wife, proceeded to the Paulownia Palace to pay his respects to Empress Nagako.

Chang Hsin-wo has been appointed the first commercial attache to the Chinese Embassy in Tokyo.

## KWANTUNG ARMY WILL HAVE NO HAND IN NORTH CHINA SAYS MATSUMURO

A statement that the Kwantung Army would now have no connection with North China was made April 6 by Major-General Matsumuro, successor of Major-General Doihara. Major-General Matsumuro, who arrived in Peiping April 6, said he would carry on any necessary negotiations affecting North China as the representative of the Japanese garrison in North China. Interviewed by press representatives at Peiping, General Matsumuro stated that

the purpose of his coming is to pave the way for closer Sino-Japanese co-operation. He will shortly establish his office in Peiping in order to facilitate negotations in the future, he added. Sino-Japanese negotiations in North China, General Matsumuro continued, will hereafter be carried on by the Japanese Garrison Headquarters at Tientsin on behalf of the Japanese Government. Asked about his opinion on the present situation in East Hopei and North Chahar, the visiting Japanese official said that he had not yet made any close observation and was not in a position to express his views. Proceeding, General Matsumuro urged that China and Japan should co-operate for mutual benefit. Without sincerity and frankness it will be impossible to settle the pending issues between the two countries, he concluded.

Maljor-General Matsumuro called on General Chin Teh-shun, Mayor of Peiping, April 7. The interview lasted about thirty minutes.

### IMAI REFUSES TO REVEAL STRENGTH OF JAPAN'S NORTH CHINA GARRISON

The present Japanese garrison in North China will probably be leaving for Japan during this month, Major Imai, Japanese military attache, told foreign correspondents, in Peiping April 5. He did not know the size of the new garrison but thought it would be the same as the present garrison. When asked the total number of men at pressent forming the North China garrison, Major Imai said this was a military secret and could not be stated. It was pointed out that there were many rumors that the new garrison would be larger, reports varying from one division to three divisions. These reports, he said, were groundless rumors but he did not know exactly how many men were coming. He did not, he declared, think it was urgently necessary to make public these figures.

### FIGURES SHOW HUGE INFLUX OF SMUGGLED GOODS CONTINUING

The area of smuggling activities has now been extended to as far as Paotou, Sian and Pangpu by way of the Peiping-Suiyuan, Lunghai and Tientsin-Pukow Railways respectively, according to a survey recently made by Tientsin authorities. The anti-smuggling measures jointly enforced by the Tientsin Customs House and the Peiping-Liaoning Railway Administration are stated to be ineffective to check these illicit activities. Information from the Customs House states that goods smuggled through the East Station continue unabated, during the past few days. On April 3, it is estimated, 600 tons of sugar and 40 tons of rayon were shipped to Tientsin and more than 100 tons of these goods transported to the interior through that port. It was further reported that no less than 300 tons of sugar and 10,000 kilograms of rayon arrived at Tientsin April 5, of which amount 200 tons were shipped to interior districts.

The Foreign Affairs Committee of the Hopei Chahar Poltical Council has decided to again request the Japanese authorities to take effective measures to check the activities of Korean drug dealers in Peiping. The committee has communicated with the Japanese Embassy regarding this matter, but so far no reply has been received.

With a view to stamping out the roots of disturbances, several illegal organizations in Tientsin, styling themselves in various autonomous names, were dissolved by order of Tientsin Municipal Government, April 3. The organs disbanded were "The Representative Organization of the Hopei People", "The Chinese Citizens' Foreign Affairs Association" and others attached with the much used word "autonomy".

The Hopei and Chahar Political Council decided on April 1 to appoint two committees to take charge of communications and reconstruction affairs in the two provinces. Chen Chueh-shen, Director of the Peiping-Liaoing Railway, and Meng Chih-chung, a member of the Council, are slated as chairmen of the two committees.

Retuning from Taku where he reviewed th units of the temporarily organized 2nd Division under Lieut.-General Liu Ju-ming, attached to the 29th Army, and inspected the Tientsin-Taku Highway which is being repaired by soldiers, General Sung Che-yuan, Chairman of the Hopei-Charhar Political Affairs Committee, gave a reception to press representatives April 1. General Sung first said that he has so far made no preparations to visit the Capital or proceed to Tsinan to see General Han Fu-chu, Chairman of the Shantung Provincial Government. The bandit-suppression campaign in Shansi is proceeding successfully, he continued. Both western and southern Shansi are safe. Referring to a possible "Red" invasion of Hopei, he said that the units of the 29th Army under his command are sufficient to cope with the menace.

For the purpose of further augmenting the Japanese influence in South China, a socalled Tropical Production Investigation Association has been established in Formosa. The Association will conduct an investigation in the Southern parts of the Yangtse River with the object of consolidating and further developing Japanese trade in South China.

### SOME FACTS ABOUT RECENT SINO-JAPANESE NEGOTIATIONS

The following news items obtained by the information bureau of the Southwest appeared in the *San Min Chu Yi Monthly* of Hu Han-min dated March 15—

"According to reliable information, The Japanese are now contemplating an invasion into Shantung and Shansi, following their successful attempts in Hopei and Charhar. It is learend that the Japanese have offered financial assistance to Liu Kwei-tang, the notorious bandit, who has organized the so-called "North China People's Autonomous Allied Army" to create trouble in Southern Hopei and Western Shantung. Meanwhile, a Japanese radio station and a special Japanese organ have been established in Taiyuan. A representative was sent to Tsinan to force General Han Fu-chu, chairman of Shanung, to participate in the Five Provinces Authonomous Movement. Realizing his inability to cope with the situation, General Han has tendered his resignation to Nanking."

Commenting on the fabrication of news by the Japanese news agencies, the *The Wan Pao* in its editorial on April 3 wrote:

"According to Japanese rumours, General Han Fu-chu, chairman of the Shantung Provincial Govrment was assasinated at midnight (April 1) by an unidentified assailant. After investigation, it was learned that the rumour had its origin from the local Japanese *Domei News Agency*. This agncy was reported to have obtained this story from the *Ta Tung news agency in* Tientsin, which is an organization subsidized by the 'Manchukuo'.

"In the past four mouths, the Japanese news agencies have repeatedly issued such fabrications. When General Chiang Kai-shek was in Szechuan, the Japanese news agencies declared that General Chiang was detained by certain militarist. However, after a short time, General Chiang arrived in Nanking. With the advance of Communists into Shansi, the Japanese news agencies declared that secret agreements have been concluded between the Chinese Government and the Chinese Communists. However, after a short time, the Central troops went to Shansi and defeated the Communists. Chen Kuo fu, Chairman of Kiangsu, has been in Chinkiang for the past month busily engaged in directing the effairs of the Kiangsu Provincial Government, but the Japanese news agencies declared that Mr. Chen has gone to the U.S.S.R. In addition, these Japanese news agencies declared that the French Concession of Shanghai has been the center of the Communist activities

since the conclusion of the Frano-Soviet Pact of Mutual Assistance.

"A news agency should issue news only. A news agency should not issue gossip, rumours or unreliable stories. A news agency can fool its readers temporarily only, if it issues news of political propaganda."

### WAICHIAOPU SPOKESMAN DENIES SECRET TREATY WITH MOSCOW

The widespread reports of an alleged secret pact between China and Soviet Russia, were categorically denied April 1 by a spokesman of the Foreign Office. Describing them as "sheer propaganda," he said the rumors emahated from certain circles harboring ulterior motives." Turning to the press reports concerning the conclusion of a pact of mutual assistance between Soviet Russia and Outer Mongolia, the spokesman said that the Chinese authorities were enquiring into the matter, and that a full statement was unlikely pending the outcome of the investigation. It was absolutely groundless, he declared, for a section of the foreign press to jump to the conclusion that the Chinese Government had entered into a secret pact with Russia simply because the Chinese authorities failed to comment upon the alleged Soviet-Outer Mongolian pact. The spokesman expressed surprise at the report that Chen Kuo-fu, Chairman of the Kiangsu Provincial Government, and Chen Li-fu, a member of the Central Executive Committee, had gone to Russia. It is a well-known fact, he declared, that the former is in Chinkiang directing affairs of the Kiangsu Provincial Government, and that his brother, Chen Li-fu, is recuperating in Hangchow.

*Shanghai Mainichi*, on April 2, reported that Dr. C. T. Wang, former Minister of Foreign Affairs, will be appointed successor to Dr. W. W. Yen as the Chinese Ambassador to Moscow. His appointment will be aimed at the creation of a rapprochment between China and the U.S.S.R. for the strengthening of their joint interests against Japan.

D. Bogomoloff, Soviet Ambassador to China called on General Chang Chun, Minister of Foreign Affairs April 2. The two diplomats conferred about one hour, but the subject of their discussions was not revealed:

### ROUTED SHANSI REDS PLAN TO RETURN TO SHENSI LAIRS

Following several heavy reverses, the Red marauders who are invading southern Shansi are now planning to retreat into their original strongholds in Shensi by re-crossing the Yellow River.

After the lifting of the siege at Hsuhsien, Governmnt troops are surrounding and combing the suburbs of Hungtung, Chaochen, Ningfeng and other cities with a view to purging the places of Red traces.

Of the 20,000 Communists, only 10,000 will remain in Shansi, while the rest will return to Northern Shensi. Such is reported to be the agreement concluded between the Central Government troops and the Reds, according to *Shanghai Nichi Nichi*, April 1. Except in the Southern part of the province where the Central Government troops are being stationed, the Communists will endeavor to disorganize peace and order throughout the province, according to the agreement. There are five divisions of the Central Government, including the 2nd., 4th., 6th., 25th., and 35th., divisions in the southern part of Shansi remaining inactive on the front against the Reds.

Evidence that the Communist situation in Shansi is being pacified is contained in reports received at Peiping from Taiyuan April 6 stating that the Taiyuan-Puchow Railway is being repaired and that through traffic is expected to be resumed shortly, according to Reuter. Government planes are reported to have bombed bands of Reds trying to cross the Yellow River, many of them being killed, some by drowning.

Government troops in north Shensi and west Shansi have effected a close line of contact with the occupation by the former of two important Red cities in the northern Shensi-Shansi border, according to a military communique issued in Taiyuan. Yihochen, in the Suiteh-Wupao region on the western bank of the Yellow River which runs along the border of the two provinces, was recaptured by Shensi Government troops on April 4, the communique reports. While Shansi troops have been hard pressing the Red remnants in northwest Shansi with a view to checking their retreat into north Shensi, the Shensi troops are now pushing eastward in the direction of the Shansi border in order to come to the assistance of the Shansi troops in rounding up the Communist remnants.

Red situation in Shansi and Shensi were described by Gen. Kao Kwi-tze, commander of the 30th Division now fighting communists in northern Shensi, upon his arrival at Peiping from Chengchow April 3. Rapid progress, according to Gen Kao, has been made by the anti-communist troops in Shansi where one important point after another has been recaptured from the red marauders. Several stratagic points along the Yellow River which are now still occupied by the reds are expected to be evacuated shortly. Gen. Kao questions the report that the red invaders into Shansi are planning to cross the Yellow River again and return to their original stronghold in Shensi. Their primary cause for penetrating into Shansi from Shensi, said Gen. Kao, was the lack of food supplies, and as long as this cause is not removed, their return would seem illogical.

The remnant communists in Shansi, said Gen. Kao, have now broken up into several small detachments of one or two thousand men each. One of these has now penetrated into northern Shansi while the others are still in the vicinity of Hungtung and Chaohsien. Concerning the situation in northern Shensi, Gen. Kao said the total strength of the communists in that province is about 20,000 distributed in different places. Of this number, only half are properly armed. The strongest red force, about 3,000 strong, are under the command of Liu Tze-tan, a notorious red chieftain. The number of Government troops in Shensi is about ten times as numerous, and the only difficulty facing these troops is the lack of food stuffs and the poor communications system for quick transportation. These account largely for the slow progress made in the anti-red campaign in Shensi.

### GENERAL CHANG HSUEH-LIANG DIRECTS OPERATIONS AT FRONT

Important progress is expected to be made in the anti-communist campaign along the Shensi-Shansi border with the departure of Gen. Chang Hsueh-liang, deputy Commander-in Chief of the Northwest troops, to Lochuan by air April 4 to direct operations there, according to Central News. The red invades to Shansi, after finding their plans in southern Shansi frustrated by Government troops, are now beating a retreat to their original strongholds in Shensi. With a view to forestalling their return, the Government troops, under the direction of Gen. Chang, are pressing on against the marauders from both Shansi and Shensi.

The Communist suppression drive in Shansi has made another forward step toward complete elimination with the lift of the Red siege of Linfen (Pingyang) in southern Shansi along the Tatung-Pochow Railway. The Reds which have been besieging the city for over a week were routed on April 2, by one brigade of government troops. After several hours of fighting, the Communist troops retreated, leaving behind over 100 dead and wounded. Twenty others were captured. The victorious government troops entered Linfen after nightfall, immediately establishing contact with the troops inside the city walls which have been defending the town.

## BESIEGED MISSIONARIES IN SOUTHERN SHANSI RELIEVED

After having been cut off from the outside world for more than a week, Hungtung, in south Shansi, has been relieved by Shansi troops and all the missionaries there, comprising six men, six women and four children, are safe, according to a *Reuter* report April 5. This news means that the two large missionary centers in South Shansi, Hungtung and Pingyangfu, the Communist siege of which was raised on April 3, are now cleared of all Red troops. The British authorities have been officially informed that both Taiyuan the provincial capital, and Pingyang had been relieved and that all missionaries in the two cities were safe.

General Ho Ying-chin has arrived at Taiyuan April 2, from Hankow replacing General Chen Chen and assuming command of the Central troops in the province of Shansi, reported *Shanghai Nippo*, April 4. Seven divisions of the Central Government who are about 100,000 strong, including 2nd, 4th, 6th, 7th, 24th and 25th divisions, and the two divisions under General Shang Chen, remain in Shansi.

Close attention is being paid by Japanese circles to the arrival of General Ho Ying-chin, War Minister of Nanking Government, in Taiyuan, on April 2, said *Shanghai Mainichi* April 4. His arrival is regarded as a sign of the Nanking Government's attempt to put the whole province of Shansi under the control of the National Government. In spite of the retreat of the main force of the Communists into Shansi, seven divisions of the Central troops remain in the province.

A Japanese military plane flew to Taiyuan in the morning of April 2. The plane returned to Peiping in the afternoon.

Chao Shang-chung, representative of Governor Han Fu-chu of Shantung, arrived at Taiyuan April 1 to confer with Gen. Yen Hsi-shan, Pacification Commissioner for Shansi, regarding co-operation between the two provinces in Communist suppression work. Meanwhile reports have arrived at Taiyuan to the effect that more than 2000 Red troops under Hsu Hai-tung, commander of the so-called 25th Red Army, were routed by government forces at Shuimotan in the vicinity of Hsinghsien in West Shansi on Mar. 30 when they attempted to cross the Yellow River into Shensi territory.

Teng Cheh-hei, representative of Gen. Feng Yu-hsiang, Vice-chairman of the Military Affairs Commission, who recently arrived in Peiping left for Paoting April 3 en route to Taiyuan to see Gen. Yen Hsi-shan, Pacification Commissioner of Shansi, on behalf of Gen. Feng. The mission of his trip to North China is not known.

According to a Chinese report, 500 Japanese Communists under the leadership of Natsui have entered Manchuria to commence their activities in conjunction with the Chinese Reds. The Japanese police has been ordered to keep a close watch on the movement of these Japanese Reds.

Two thousand Reds belonging to the force under the command of the notorious Communist leader, Ho Lung, penetrated into Yunnan a few days ago, according to a *Reuter* report April 6. The Reds reached Malung, 60 miles northeast of Kunming (Yunnanfu), on April 3, but were engaged by Yunnan troops the following day. The result of the battle is unknown, but it is believed that Kunming is not endangered. There are no foreigners in the Malung area.

### Interior of Chinghai Closed to Travel by Foreigners

Due to instability, the interior of Chinghai (Kokonor) province will henceforth be forbidden ground so far as travel by foreigners is concerned. Orders issued by the provincial government state that for a period of six months as beginning from April 3, permission will not be granted to foreign nationals to travel anywhere else in Chinghai except seven hsien (districts) in the eastern part of the province adjoining Kansu. The seven districts open to foreiners for travelling are: Hsining (capital city), Lotu, Muchu, Tatung, Huangyuan and Weiyuan, all situated near Kansu east of the Kokonor Lake.

A mysterious plane was sighted flying over Hsining, capital city of Chinghai, on April 1, around 3 p.m. according to a *Central News* report. Because of its high altitude, the machine could not be identified. After circling over the city the plane left in a northwesterly direction.

## HONGKONG REFUSES TO EXTRADITE WANG SHOOTING SUSPECTS

The latest development in connection with the Wang Ching-wei shooting case is the refusal of the Hongkong government to extradite the four Chinese suspects recently arrested in the Colony. Hongkong's refusal is said to be based on the ground that the arrested four persons are political offenders, according of *Central News*. The Chinese authorities, however, maintain that the alleged suspects are ordinary criminals without political background, but are professional assassins for the sake of monetary remuneration. This contention is learned to have support in the confessions made by Chang Yu-hua and Ho Po-kwang, two of the six alleged suspects now standing trial in Nanking, last Nov. 19. According to their confessions, the four persons arrested in Hongkong belong to the "Axe" gang, which was responsible for the attempted assassination of T. V. Soong in Shanghai in 1931. Meanwhile, the trial by the Fifth Branch Kiangsu High Court of the six suspects which was adjourned sine die on Mar. 31 will be resumed on April 22 when it will enter its final stage.

Wang Ching-wei, chairman of the Central Political Council and former president of the Executive Yuan, had a physical examination at Belgrade April 4, according to information received by the Ministry of Forign Affairs from the Jugoslavian capital. Following the examination, Mr. Wang left Belgrade for Germany to seek a quiet spot for his recuperation.

## GEN. LI CHI-SEN DENIES PART IN ATTEMPT ON LIFE OF WANG

General Li Chi-sen, "Chairman" of the shortlived "People's Government" in Fukien, in an interview with Chinese pressmen in Kwangsi April 5, emphatically denied that he had any part in the plot to assassinate Wang Ching-wei, former President of the Executive Yuan. He declared that all citizens have a right to take part in a national revolution, but that should revolution fail, assassinations of individuals are of no avil. General Li, who has been living in retirement in Kwangsi following the collapse of the rebellion in Fukien in 1932, was charged in the indictment in Nanking last last week, together with Chan Ming-shu, who is now in Europe, with being behind the plot against Wang Ching-wei.

### Wang Certain Ha Han-min Will Join Nanking Government

Certainty that Hu Han-min, veteran Party leader and Chairman of the Standing Committee of the Central Executive Committee, would before long come to the capital was expressed by Dr. Wang Chung-hui, until recently judge of the World Court, in a special interview with the *Central News Agency* April 3. "There need no longer be any doubt about Mr. Hu's decision to proceed to Nanking to take up his new duties in the Government," declared Dr. Wang. Dr. Wang vehemently scouted current speculations to the effect that Mr. Hu insists on the acceptance by Nanking of certain conditions before consenting to come North. The only reason why Mr. Hu is still remaining in Canton, according to the "goodwill" jurist, is truly the question of weather in relation to his health.

According to *Shanghai Nichi Nichi*, April 7, Hu Han-min will not leave for Nanking. Both the Kwangtung and Kwangsi leaders, including Generals Chen Chi-tang, Li Tsung-jen and Pai Chung-hsi are said to be preventing Mr. Hu from leaving the Southwest. The departure of Mr. Hu for Nanking, it is thought, would weaken the position of the southwest against the Cental authorities.

# Whither North China!

BY C. Y. W. MENG (孟長泳)

FOR several weeks past the situation in North China has been quiet. But this must not be interpreted in the sense that the northern situation now has improved. That there has been no fresh development in North China is largely due to the fact that after the military coup in Tokyo on Feb. 26, Japan herself has been in a chaotic condition, so her aggressive action in China had to cease for a while. But since the organization of Hirota's cabinet, his acceptance of the "aspirations" of the militarists, and the adoption of a "firm and self-determined" foreign policy, another sudden turn in the development of the situation in North China will probably take place, and the Chinese will have to witness another "critical situation" in North China, as they witnessed before. In other words, another "storm" is in store!

Politically, the Sino-Japanese "talks" which have been going between the Chinese and Japanese authorities in the North are centered on "joint efforts to subdue the communists," as demanded by the Japanese; and the "abolition of Yin Ju-keng's 'government,' " as demanded by the Chinese. The Chinese stipulate that before the abolition of the "bogus administration" in Eastern Hopei, nothing can be done. But the Japanese contend that while the abolition of Yin's "government" is conditioned upon Chinese "sincerity" to demonstrate their better pro-Japanese feeling and understanding, resort to joint efforts to prevent the spead of communism in North China, is more urgent than the abolition. In his interview with General Sung Chi-yuan, chairman of Hopei-Chahar Political Council, Mr. Arita, the retiring Japanese Ambassador to China, was also reported to have brought the matter before the General. At the same time, the Japanese military attache in Peiping, had also called on the Chinese officials, and expressed his "pessimistic view" on the communist situation in Shansi, and repeatedly told the Chinese of Japanese "readiness to despatch troops to join with the Chinese troops to suppress the Chinese communists." Despite the Chinese assurances and re-assurances that the 29th Route Army (under General Sung's command) is adequate to stop the advance of the communists towards Chahar and Hopei, the Japanese are by no means convinced. How would the Chinese handle the situation in the event the Japanese press further for joint efforts to oppose the communists, we do not know. Economically and culturally, we find the Japanese are equally aggressive in their actions in North China. Let us now sum up some of the events which have been going on in North China.

### Customs Administration Wrecked

By instituting the system of "smuggling" which is so rampant and serious in North China, the Japanese want to break up the Chinese customs administration, to eliminate the Chinese tariff autonomy in North China, and to seize the Chinese customs by simply locking out the staff-members, other than the Japanese and other pro-Japanese staffs, in the same way as they did with the Chinese customs houses in Manchuria.

### Educational System Changed—"Branch Schools"

By causing the Chinese authorities to organize a "special educational committee" to deal with Chinese education in North China, the Japanese want to curb not only the patriotic movements in North China, but also to break up the Chinese educational system and to replace it with a Japanese-inspired educational system or "Manchukuo system" for the Chinese. When Yin's "government" was organized, it was immediately followed by a change of the Chinese educational system to a "new system" worked out by the Japanese advisers. Only the newly edicted and revised textbooks are used in the territory under the "government." Even in Peiping, the American faculty members are convinced that shortly there will be a demand for the employment of Japanese faculty members and "advisers," and the control of the curriculum, etc. Apparently in such an "uncongenial atmosphere" descending on Peiping and environs from northeast, the Chinese educators began to remove the schools to the south, such as Chengtu, Chungking (Szechuen), Changsha (Hunan), Sian (Shansi), and Lanchow (Kansu), etc. They do so, of course, under various pretexts. The establishment of "branch schools" is the most convenient of all! The National Tsing Hwa University is said to have used 60 mow of land owned by Yale-in-China in Changsha to construct two buildings, one for class-rooms and the other for dormitory. That the president of the university is so anxious to establish a "branch Tsing Hwa" in Changsha, and the construction work is so hurried up is of course not without its reason!

### Peiping Paper "Taken Over" by the Council

The Peiping *Chen Pao* or Peiping *Morning Post*, one of the most outspoken papers in North, is now being "taken over" by the Hopei-Chahar Political Council. No reason has ever been given for the change. On the next morning, we read an advertisement that the change in ownership had been immediately followed up by a wholesale resignation of the editorial staffs. Though can now still read the paper, it is no longer a paper owned by Chinese journalists, but an organ of the Administration in the North.

### Ta Kung Pao's "Shanghai Edition"

Concurrently, it is equally interesting and significant to note that *Ta Kung Pao* or *L'Impartial* in Tientsin, one of the oldest papers in China and another outspoken paper has recently established its "branch office" in Shanghai to publish a "Shanghai Edition" beginning from April 1. It is reported that part of the staffs in Tientsin was removed to Shanghai.

Although in the editorial of the first issue of the paper, it is made clear that the purpose of publishing a "Shanghai edition" is not "to escape from the North to South," but rather "to meet the urgent needs of the time," and "to disseminate the news between the North and South," it is generally believed that like the establishment of "branch schools" in the interior of China, the publication of a Shanghai edition of the *Ta Kung Pao* in Shanghai is not without its underneath reason Our contemporary has already a fairly large circulation in Shanghai. By publishing another Shanghai edition, the subscriptions to the Tientsin edition will naturally drop, as no one will subscribe to two editions of one paper which publishes practically the same news. That the publication of a Shanghai edition is not for the sake of extending the business or increasing the circulation goes without saying. But the same editorial, in dealing with the Sino-Japanese situation, points out to us that the paper always maintains its usual attitude "to oppose the Japanese military policy in China, which infringes the Chinese soverignty." Here probably is the cause of action. The paper has apparently found it somewhat difficult to carry on in North China, which is virtually dominated by the Japanese. Secondly, the paper has also realized that it is the policy of the Japanese not only to seize the Chinese customs administration and to institute a new educational system for North China, but also to elminate the Chinese papers which are opposed to the Japanese aggression in China. Being afraid of meeting the same fate as the Peiping *Morning Post*, of being taken over by the Council, *L'Impartial* has now established a branch office in Shanghai with a view to paving the way for amalgamation in the near future!

### Salt Administration Next to Be Broken Down—Sale of "Changlu Salt" to Japan

The next event of interest is the sale of Changlu salt to Japan. Since the establishment of Yin's "Government" in Tungchow, the dispute over the collection of salt revenue and sale of Changlu salt has already been in existence. But with the Japanese "assistance," the dispute was later settled, and whereas the bogus administration promised to abolish the tax bureau, the Chinese officials promised the sale of salt. In addition, the Changlu Salt Bureau has to remit monthly a sum of $250,000 as "administrative expenses" to Yin's government. This, however, did not mean the end of the trouble. Since then the smuggling of salt from Changlu to Japan has become very rampant. In order to stop the smuggling, the Chinese authorities were forced to agree to sell the Chinese northern salt to the Japanese.

Salt, as we know, is an important chemical, and it is the indispensable for making soda and hydrochloric acid—the basic industry of all chemical industries. It is needed for making bleaching powder, sulphate, sodium sulphate, as well as war material and explosives.

Due to the industrial development in Japan, according to the reliable information, Japan needs about 1,000,000 tons of salt. With exception of 600,000 tons produced in Japan, and another 200,000 coming from Dairen, Japan has to import another 200,000 tons of salt annually from Tsingtao, Africa, etc. But due to the rapid development of heavy industries and the manufacture of war materials, Japan in fact needs more than 1,000,000 tons of salt every year. But while the demand for salt is increased, the supply of salt is decreased. According to our information, the salt from Africa has practically ceased to come to Japan due to the Italian-Abyssinian war. The salt coming from Tsingtao is somewhat too costly, due to the high freight charges. So the Japanese have been long intending to ship the Chinese Northern salt to Japan, first by smuggling, and now, by coming to an agreement with the Chinese to purchase the Chinese salt at a price lower than anywhere else.

It is claimed by the Japanese that the average transportation cost for Tsingtao salt from Tsingtao to Japan is one yen or more per tan, while that for northern salt might be free. When Tsingtao was occupied by the Japanese right after the outbreak of the Great War, much of their efforts were devoted to the production of salt for Japanese use. So no less than 20 salt factories were established. But when Tsingtao was returned to China after the Washington Conference, most of the factories stoppd operating. But by the agreement, the Chinese promised to sell 3,000,000 tans of (133 lbs.) Tsingtao salt to Japan every year.

Sometime last year the Japanese were said to have purchased at cheap price no less than 12,500 tans of salt from the Changlu

Salt Bureau. The Chinese authorities were quite aware that large shipments of salt abroad would affect the economic welfare of the people; they were reported to have been very worried over the situation, and are said to have "confessed" that under the present situation, "to sell salt to Japan is a matter of impossibility," The Chinese salt bureau (under the Ministry of Finance) in north China has practically ceased to function. Only about two months ago, no less than 12,200 tans of Changlu salt were shipped to Osaka under the protection of the Pao An Tuan (Peace Preservation Corps) under Yin's "government". The purchase was made at the lowest price (unobtainable elsewhere) and the shippment was made subject to no payment of any tax to the Chinese authorties. The Chinese authorities in Peiping and Tientsin were aware of the shippment but are entirely hopeless before the situation.

Now, in order to curb the smuggling of salt out of north China, the Chinese authorities prefer to reach some "general principles" which will placate both the Chinese and Japanese. For this reason, on the Chinese side, according to the report from Tientsin dated March 28, "in order to facilitate the export of salt abroad a Changlu Salt Export Office was inaugurated on March 27 under the joint auspices of the salt merchants in the Changlu area in Hopei. Liang Chao-yuan is director of the office." On the Japanese side, an "Export Assosation" organized by the three leading Japanese firms in Tientsin, also came into existence to jointly invest capital in the purchase of Chinese salt. It is reported that the Chinese northern salt will first be shipped to Dairen where a big steamer, specially constructed for this purpose, will carry the Chinese salt to Osaka. It is further reported that Japanese "Export Association" plans to ship annually 3,000,000 tans of Changlu salt to Japan. When everything is defintely arranged the purchase of Tsingtao salt will cease.

Partly through smuggling, and partly through purchase at exceptionally low prices the Japanese had a good supply of salt for chemical industry last year, and were able to turn out more soda and hydrochloric acid then they could consume. Formerly, Japan was one of the importers of foreign soda and hydrochloric acid, but since last year, Japan has become an exporter of these two chemicals. No less than 3,000,000 cases of soda and hydrochloric acid were shipped to North China in 1935. Formerly, it was the Amercian and British soda and acid that were seen on the Chinese market, but now the Chinese market is being captured by the Japanese chemicals.

That Japan is anxious to ship more salt from China could be shown by what Mr. Nakamura, Japanese consul-general in Foochow (Fukien Province) once said viz., that the "coastal region in Fukien produces a considerable amount of salt so that a quantity of surplus salt can find no market. Japan needs salt so badly and she has imported annually hundreds of thousands of salt from distant c untries and this absurd state of affairs should be adjusted."

### Any "Surplus Salt" in North China?

If there is really any suplus salt and the sale will not have to do with the economic welfare of the people, we of course will not oppose the sale, as it is far better for us to sell or dispose of what is a surplus rather than see it deteriorate. So the first question is: Is there any surplus salt in Changlu?

According to the statistics now obtainable the salt production in Changlu for 1935, which is generally considered as the richest year, is 7,200,000 shin tans (Chinese new system of weights and measures). On the other side, the average consumption of Changlu salt by the Chinese for eating purposes for the years 1932, 1933, and 1934 is 2,530,000 shih mat an 司馬担 (Chinese old system of weights and measures, now no longer enforcible). Besides, another 2,500,000 tans of salt are generally considered to be necessary for the Chinese industrial uses in North China, thus making a total of 5,000,000 shih ma tans, or about 6,350,000 shih tans, which are needed for the people in North China, both for eating and industrial purposes. That is, when the production and consumption of Changlu salt are balanced it will be found that there are only about 850,000 shih tans which could be considered as surplus. Therefore, should the sale of Changlu salt to Japan be based on the ground that there is surplus salt to be sold, and that the sale will not have anything to do with the economic welfare of the people and industrial development in China, we shall refute that the surplus is too small to justify the sale, and that the sale is quite detrimental to the Chinese welfare.

Assuming that the saltpits in Changlu could be developed and more of the salt could be produced, it is generally calculated in well-informed circles that at most the Changlu saltpits could produce 10,600,000 tans per year. But, 6,350,000 tans of this quantity will be consumed by the Chinese for domestic and industrial uses, leaving only 4,250,000 tans. But, as stated above, the Japanese plan to ship huge quantities of Changlu salt to Japan annually.

### A "Forced Sale" Only

There are about 14,500,000 tans of salt now stored in Changlu. We know, it is the intention of the Japanese to buy up and ship this salt to Japan. But these 14,500,000 tans of salt are not the "surplus salt but are intended to meet an emergency in the event of shortage." So, to sell this quantity of salt is tantamount to shipping silver or gold from our Reserve Bank to foreign countries," said one observer. So we can conclude that at present there is no surplus salt in Changlu available for foreign consumption; that the sale of 14,500,000 tans of salt on reserve should be strongly opposed; that the present sale of Changlu salt to Japan is a "forced sale," forced upon China by Japan; and that the Japanese policy to ship Chinese salt to Japan first by smuggling and then by purchasing is only to break down the Chinese salt administration on one hand and to ship the material from China to meet its needs in Japan, in total disregard of its adverse consequences to Chinese welfare.

According to well informed circles, the customs revenue constitutes one-half of the Chinese national revenue, and salt revenue about one-fourth. It is, therefore, clearly seen that any slight interference with the customs and salt administrations is bound to produce very disastrous consequences on the financial conditon of the country.

### Japan's Further Aggression—The Negotiatons!

Thus, economically, the Japanese aggression in North China is furthered in four ways: (1) Cultivation of cotton in Hopei Province, (2) Exportation of Changlu Salt to Japan, (3) Development of iron mines in Chahar, and (4) Construction of Chungckow-Shinkaichuan Railway. While the first two are now already *fait accompli*, the latter two are under negotiation. According to the report, the Japanese militarists demand that the development of Lankwan 龍關 and Suihwa 宣化 Iron Mines in Chahar, now exploited by Lang Yen Mining Company 龍煙公司, should be in the hands of the South Manchuria Railway Compay. It is also reported that if the construction of Chungchow-Shinkaichuan Railway, connecting the east and west of Hopei is in the hands of the Peiping-Liaoning Railway Administration, and the Japanese are to supply the technical assistance and technical experts, but no loan from Japan, the whole project might be carried out without meeting any objection. According to another report, the Japanese have also demanded the construction of a motor road between Kalgan and Dolonor. In conclusion, in North China, we find the Chinese Customs and Salt Administrations have been completely broken down, the educational center is also shifted from Peiping to the interior of China; and the Chinese papers are taken over by the autherities or are removed to the South. So we ask: Whither North China—Is it not deserted by the Chinese and virtually controlled and dominated by the Japanese?

Nanking, April 5, 1936.

## Central Bank Bulletin for March Explains China's New Currency System

The Central Bank for China *Bulletin* for March contains as the principal article, "China's New Currency Policy," by Dr. H. H. Kung, Vice President of the Executive Yuan and concurrently Minister of Finance. Other articles are: "The Consolidation and Recovery Loan of 1936," by C. P. Chow and "An Economic Survey of China for 1935," by E. Kann, well-known authority on finance and bullion broker in Shanghai. There are also a number of documents bearing on financial subjects.

In his article, Dr. Kung discusses China's new currency policy, the reasons that led up to action taken in November and the resultant happy outcome of the entire nationalization program of the Government. The Finance Minister says in this connection that "it is gratifying to note the friendly co-operation of foreign Governments which has made it possible for their nationals in China to come in line with the Chinese Government's new currency policy."

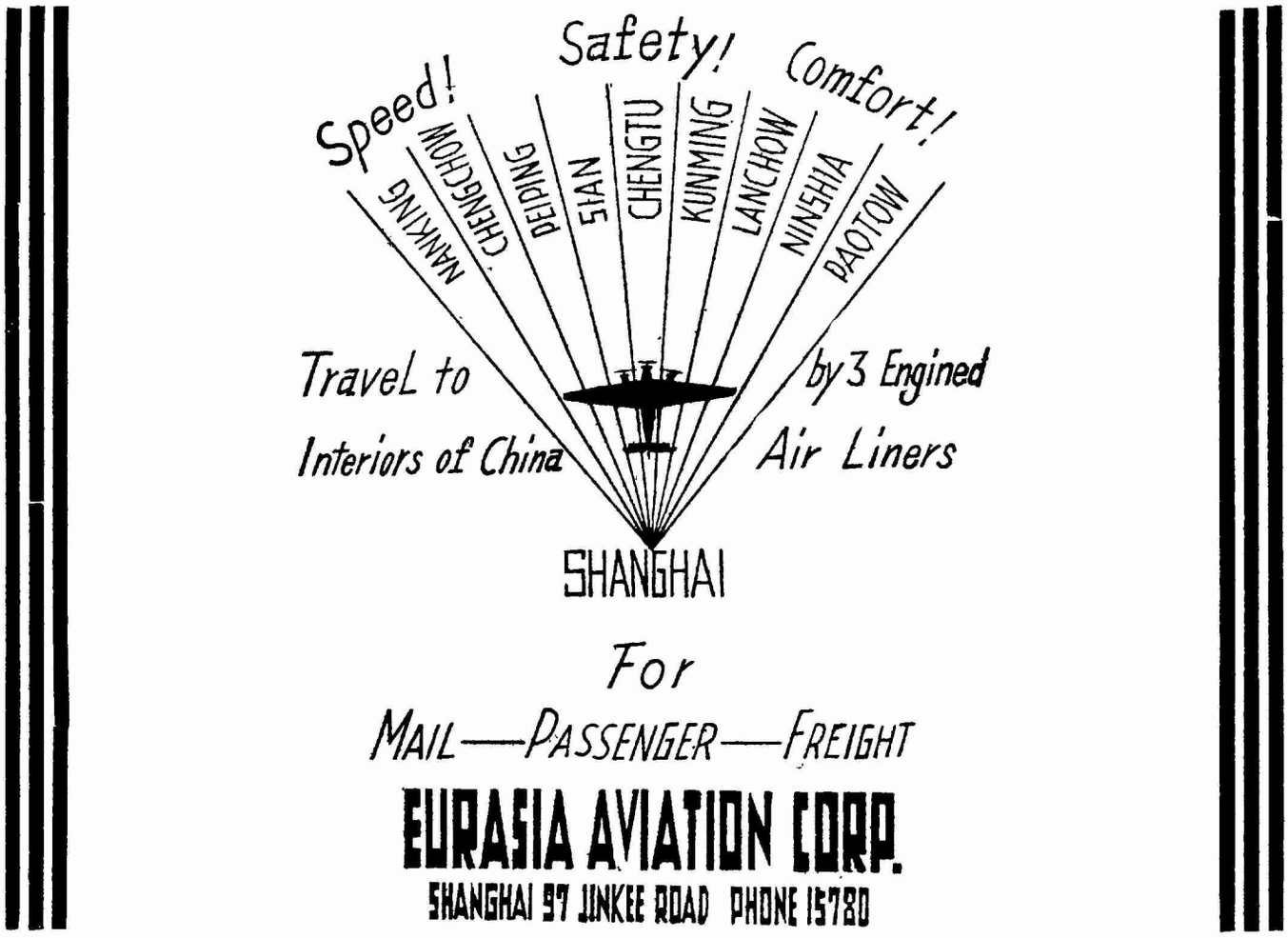
Mr. Chow discusses the internal loan measures with regard to the Consolidation and Recovery Loans which were adopted by the Government on February 1.

Mr. Kann's economic survey of China for 1935 is authoritative and comprehensive. The important points brought out in Mr. Kann's survey are: There are no arrears in the service of China's internal loan, both principal and interest having been met punctually on the due dates; and China's *per capita* debt is inconsequential compared with that of other countries. China's debt on this basis is $6.30, as against Japan's $223, Britain's $2,630, America's $810. (Figures in Chinese currency.)

The *Bulletin* is published by the Economic Research Department of the Central Bank of China, 15 The Bund.

## Foreign Affairs Commissioners, Except for Border and Special Areas, Abolished

All posts of Foreign Affairs Commissioners, with the exception of those for border provinces or districts where external affairs are complicated, are to be abolished, according to a decision made by the Executive Yuan Mar. 31. Commissioners' posts which are to be retained are (1) Yunnan, (2) Kwangtung and Kwangsi, (3) Hopei and Chahar, and (4) Szechwan and Sikong. Affairs relating to foreign relations in various interior districts which formerly were in the hands of Commissioners, will henceforth be in charge of experts attached to the Ministry of Foreign Affairs.




## JAPANESE PLAN TO GREATLY INCREASE STRENGTH OF ARMY IN MANCHUKUO

(*Continued from page 187*)

noitering flight, at the height of 800 meters, the plane returned to Soviet territory, the report said.

The authorities paid especial to an encounter on March 31, when 12 Mongol planes peppered a Japanese detachment with bombs and machine-gun fire the largest number of aircraft ever to have been used by the Mongol border troops.

**"Shanghai Nippo" Discusses Soviet-Mongolian Agreement**

Commeting on the conclusion of an agreement of mutual assistance by the Soviet Union and the Outer Mongolian Government the *Shanghai Nippo* in an editorial April 5 said: "It is not strange for the Japanese to see the expansion of the Soviet influence in Outer Mongolia and that the relationship between the Soviet and Mongolian Governments even assumes the proportion of a military agreement. However, we are convinced that the new agreement will lead to the aggravation of the situation in the Far East."

**Japanese Charge "Tass" Distributed "Incorrect" Reports**

Supplementing a demarche made by Yukichi Sugishita, Japanese Consul-General at Vladivostok, with the Soviet authorities there, the Tokyo Foreign Office April 4 cabled Mr. Ohta, ambassador at Moscow, directing him to call the attention of the U.S.S.R. Government to allegedly incorrect reports distributed by *Tass*, State-operated Soviet news agency.

**Soviets Sentence Former Railway Employees to Be Shot**

The Session of the Military Collegium of the Supreme Court of the USSR at Novosibirsk last week tried the case of the former employees of the Tomsk Railway. The former employees of the track department of the said railway, Medzykhovsky, Mariengof and Klochkov, who being recruited by agents of a certain foreign secret service for espionage and diversionist work, were sentenced to be shot. During the summer of 1934, they created and headed a counter-revolutionary espionage and diversionist organization, which, upon their instructions, "carried out out up to the beginning of 1936, a conscious destruction of the tracks on the Tomsk Railway with the view of undermining the might of the Soviet State." The remaining five accused members of the espionage and diversionist organization were sentenced to imprisonment for terms of from 3 to 10 years.

**General Graves Praises Soviet Intentions**

The New York *Sunday Worker* April 4 published an article by General William Graves, former commander of the American military forces in Siberia during 1918. General Graves denounced the Japanese provocations and urged the American people to support the Soviet peace policy.

## Chinese Ratepayers Hold Election for Municipal Councillors

An election of 27 representatives of the Commercial Section and the same number of representatives of the Residential Section to the General Assembly of the Chinese Ratepayers' Association of Shanghai was held April 8. There were 367 commercial groups qualified to cast votes for representative of their respective sections. The votes were to be counted and the results of the election announced at a meeting to be held in the auditorium of the City Chamber of Commerce April 9. The 27 representatives to be elected respectively from the Commercial and Residential Sections will, together with the 27 representatives of the Individuals Section already elected, form the General Assembly of 81 of the Chinese Ratepayers' Association. Out of the 81 will then be elected five Chinese councillors, committeemen and a member on the Land Commission of the Shanghai Municipal Council.

## Yenching University President Is Interviewed in St. Louis

The St. Louis *Post Dispatch* of Mar. 3 noted the arrival in said city of Dr. John Leighton Stuart, president of Yenching University, Peiping. He told a *Post-Dispatch* reporter that he believed China to be more unified than at any time in the last 25 years. He saw a possibility, also, that the tension between the ultra-militaristic element and the more liberal forces in Japan might give China a breathing spell. Dr. Stuart said the more liberal element in Japan favored conciliation with China, but that the acts of the "ultras" had made such an attempt difficult, even if the Japanese Government should alter its position.

"China has resented the policy of Japan so bitterly and so long," he said, "that it would be slow work now to build up a friendly feeling. The officials of the Peiping Government are having a difficult time, trying to maintain their national loyalty, under constant pressure from the representatives of Japan."

# An Open Letter to Gen. Sung Cheh-Yuan

BY Z. Y. YU 俞藻園

Gen. Sung Cheh-yuan,
c/o Hopei and Chahar Political Council,
Peiping.

Dear Gen. Sung:—

I have always praised and admired you for your battles at Hsifengkuo against the Japanese aggression, although as a humble citizen at the countryside of Hangchow, Chekiang, I have never had any acquaintance with you.

Since the dawn of the Chinese Republic there has been constant civil warfare throughout the country and, consequently, the people have been impoverished and sick from it. Provincial military leaders have repeatedly come and gone; thousands upon thousands of innocent civilians have been made homeless and penniless; and all the people are groaning under the scourge of civil wars. What a miserable life our military leaders have rendered to the nation!

Then as a direct consequence of the civil strife came the Japanese invasion into our Northeastern Provinces. And behold: A good many military leaders, who had been very brave and active in civil wars, proclaimed a so-called "non-resistance policy" and fled before the onrush of the Japanese soldiers, leaving a shame to the whole nation! Manchuria and Jehol were thus lost over-night, and many a sovereign right has been violated. China in the eyes of the Japanese Military is simply a prey.

It is only you and a few other military leaders of this country—such as Ma Chan-shan, Tsai Ting-kai, etc.—who have uplifted the honor of the nation to some extent by heroic efforts and sacrifices. Big swords were the fighting weapons of your soldiers while the Japanese met you with every description of modern armament on the battlefront. You were backed with no re-enforcements while the Japanese were supported by a strong and efficient government. But you did not give in; you fought bravely ahead instead. The Japanese suffered great losses and admired your heroic sacrifices for the honor of China. Your name since then has been always on the lips of the people: admiration and praise for you have been boundless both in China and abroad. Your battles at Hsifengkuo have really set an unmeasurable inspiration for patriotic movement for the whole nation; and all the people are thankful to you.

### Political Developments are Disappointing

But political developments during the past several months in the North are quite disappointing. The so-called "Autonomous Movement" was supported by Japan, and you tolerated and sympathized with it. The present Hopei and Chahar Political Council is a direct outcome of the movement and you put yourself at the head of it, with all its members well-known as pro-Japanese politicians. Now Japan wants to have the natural resources of the North developed for her; so Japanese capital is being accumulated for industrial enterprises to be established there, which will certainly be controlled by the Japanese. Railways and other communications between North China and the Japanese-occupied territories will be connected in the near future, as reliable reports have indicated. Every political act in the North is obviously directed by and for the Japanese.

The patriotic movement of the students in the North is merely a fight against the traitorous activities of the so-called "Autonomous Movement" of the Japanese and the Chinese traitors. Their motive is very plain and their behavior is orderly and displays nothing wrong. They are not against the authorities. Their well-disciplined and orderly patriotic demonstration has not only aroused sympathies throughout China but also admiration and praise all over the world. Their self-sacrificing and devotional spirit is well expressed, and every one is moved. But by orders through Japanese pressure the police in the North give the students an inhumane and cruel treatment. They beat them, arrest them, and bayonet them. Is it not you who give orders to the police for such suicidal suppression? Is it not the Japanese pressure on you which makes the Hopei and Chahar Political Council act in every way rather as a Japanese political organ than a Chinese?

The Japanese, however, have an excuse for such suppression. They say that the students are directed by Communists. And the police in the North have followed the Japanese in excusing themselves that way. But remember it is a Japanese excuse. Japanese have said, "The Kuomintang Party is communistic and the Blueshirts are outlaws." Under such excuses the influence of the Central Government is being driven away from the North. Do not think that such excuses are easy for you; they are dangerous things. If Japan should make a new excuse, the coming danger might be on you. Don't fool your countrymen; don't fool yourself; and don't be fooled by the Japanese. We know a Henry Pu-yi kidnapped and put up on the throne of the puppet state of Manchukuo; we know a Yin Ju-keng always following and worshipping the Japanese Military; and we also know the hero of the Hsifengkuo battles changed and changing. His former spirit and devotion have left him. Those who have admired and praised him are now turning to despise and hate him.

Why should you have changed so greatly? Is Japan so strong and so admirably dependable that you should have been intimidated and coerced into terms? Due to heavy taxation and cheap prices for farm products the Japanese farmers are terribly impoverished; with very low wages and an enormous number of unemployed her laboring population is highly dissatisfied and groaning. Japanese statesmen, financiers, and economists, as well as other classes of intelligentsia, are getting stupefied and terrified at the great turn of investment from productive into non-productive enterprises. Railways and motor roads are being built through the wilderness of Manchuria purely for military purposes; land, naval, and aerial armament is being built with full speed; and arms and ammunitions are being manufactured day and night. Japanese productivity is shrinking; Japanese capital invested in Manchuria as well as in Japan Proper is getting frozen up. Her national debt has been steadily increasing and will still have to increase more; taxes are already heavy and will grow still heavier; all the national debt and heavy taxes are loading on the shoulders of the impoverished Japanese with crashing weight. All the Japanese people are waging a fight against their Military. Teachers and students, farmers and laborers have been frequently arrested and imprisoned; statesment and financiers have been repeatedly murdered. The Japanese economic as well as social and political structure is extremely weak and unstable, and the Japanese Military are just trusting the gun to work out everything for them. Before the Manchurian Incident they gave a lot of sweet promises to the Japanese people on their Continental Policy; but through the Continental Policy they have now given their people increasing difficulties and burdens without a single one of their promises being fulfilled. On the Pacific they are preparing to contend with two of the leading naval powers, and on the Continent they are making feverish preparations for a war with Soviet Russia. Do you think that Japan could long keep her house in order that way and carry out her wild dreams on the Continent? No, certainly not. Japan is not strong enough to manage the situations and is far from dependable. A strong Germany was destroyed in four years, and I doubt whether Japan could stand four months in the coming world war.

### The Burden of the Militarists

General Chang Tso-lin for a long time co-operated and developed friendship with Japan; but he was sent to his grave by a Japanese bomb. Cheng Shao-hsi (鄭孝胥) and Hsu Ya (熙洽) courted for the favour of the Japanese in Manchuria, but they were kicked out when they were no longer needed.

Dear Gen. Sung! Be a wise man to judge the circumstances and do remember your heroic days! The present is temporary. People will either love or hate you as you deserve. Look out and watch your steps!

Hangchow, Mar. 28, 1936.

## American Manufacturers Back Plan to Extend Trade in China

The current number of the *Bulletin* of the American Chamber of Commerce of Shanghai states that leading manufacturers in the United States are working on a plan which contemplates the formation of a finance corporation to float debentures up to $150,000,000. This will be used as a revolving fund for the extension of long-term credits to Chinese industrial projects under the guarantee of a syndicate of foreign style banks.

W. Cameron Forbes, who recently headed an American Economic Mission to China, it is intimated, is working on a plan whereby he hopes to form a company to take over all the old outstanding claims of American creditors against the Chinese Government. It is understood that Mr. Forbes succeeded in securing a tentative promise that if he can organize a company to consolidate all these claims, the Chinese Government will in turn make payments at the rate of U. S. $6,000,000 a year with the understanding that the money so paid will be made immediately available for new credits with which to purchase American goods.

## Opium Dealers Try Bribery in Hongkong

Tim Murphy, Assistant Director of Criminal Intelligence, giving evidence in the Hongkong Police Court April 2 when eight men, one foreigner and seven Chinese, were charged with evading the opium laws that an attempt had been made apparently on the part of powerful smuggling interests to bribe the entire native staff of the revenue department in order to evade the Colony's opium laws.

### 100,000 Catties of Opium Sent to Tientsin

Tientsin advices state that about 100,000 catties of opium have been sent here from Chahar and Suiyuan, since the institution of public sale of opium there.

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## Nanking Files Protest Against Sino-Mongol Pact

Following official confirmation of the conclusion of a mutual assistance protocol between the Soviet Union and Outer Mongolia the Ministry of Foreign Affairs lodged a vigorous protest with the Soviet Government in Nanking, April 7. The protest declared that the Chinese Government can under no circumstances recognize such a protocol and is in no wise bound by it. The protest recalls that the Soviet Union unequivocally pledged itself in Article V of the, Sino-Soviet Agreement of May 31, 1924 to recognize Outer Mongolia as an integral part of China and to respect China's sovereignty therein. The action of the Soviet Government in concluding the protocol with Outer Mongolia, in the opinion of the Ministry of Foreign Affairs, constitutes not only an infringement of China's sovereignty, but also a breach of its solemn pledge to the Chinese Government, the protest states. The protocol, it is learned, was signed on March 12 this year and provides that the two paaties will come to the aid of each other in case of an attack by a third party.

### Hsinking Urged China to Block Moscow-Mongol Pact

The Manchukuo Foreign Office April 6 called on China to take "appropriate action" in connection with Moscow's alleged violation of the Sino-Soviet agreement of 1924, which the Soviet Government acknowledged China's sovereignty over Outer Mongolia and undertook to withdraw its troops from the territory of the latter. "If China fails to take any action," the statement declared, "she would give grounds for a suspicion that she has a secret understanding directed against Japan and Manchukuo, with Outer Mongolia and Sinking placed at the disposal of Soviet Russia."

### Tokyo Foreign Office Hampered by Lack of News from Mongolian Front

The Tokyo *Jiji* April 2 stated that the two clashes on the Manchukuo-Mongolian border which occurred the previous day "stimulated" the Foreign Office authorities. It has been brought to light that reports from the spot concerning the said border incident failed to reach the Foreign Office until after more than 24 hours had passed since the occurrence and the Foreign Office experienced serious inconvenience in dealing with the Soviets in diplomatic negoliations. Moreover, it was pointed out, the Foreign Office finds it impossible "to clarify its stand before the world." Skilful propaganda on the part of Sovet Russia under the present situation is calculated, it was pointed out, to lead the world public opinion to Japan's disadvantage.

In regard to the clash of March 31, even before the Foreign Office obtained a single report on it, reports from the *Tass*, the government organ of Soviet Russia, complained to the world of the alleged border invasion by Japan-Manchukuo troops, and the Foreign Office learned of the incident through *Tass* reports. Under such clumsy conditions the Foreign Office found it utterly impossible to issue any denial. The extreme secret policy of the Japan-Manchukuo military authorities and the slow action of the diplomatic organs in Manchuria are calculated to mislead Japan's diplomacy and give the wrong impression to the world that Japan-Manchukuo troops are carrying out aggressive designs.

### Possibility of War Between Soviets and Japan Ridiculed By General Minami

General Jiro Minami, former Commander-in-Chief of the Kwantung Army, Ambassador to Manchukuo and Governor of the Kwantung Leased Territory, ridiculed the possibility of war between Japan and Soviet Russia in the near future, in an interview in Tokyo, April 7. He declared that most of the frontier lines between Manchukuo and Soviet Russia were ambiguous and vague with the exception of the Amur and Ussuri Rivers. Therefore, he added, border disputes would inevitably occur, but they would not affect the general situation between Soviet Russia, Manchukuo and Japan.

## American Negro Congress Denounces Japanese Invasion of Manchuria

*China Today* (March issue) published an account of the First National Negro Congress held at Chicago, Feb. 14 to 16, 1936, when a significant "Resolution on the Far Eastern Situation" was published. The first paragraph of the resolution says: "Japanese imperialism under the pretence of protecting the colored races, has enslaved Korea and Formosa, has occupied Manchuria and now invades north China against the will of their inhabitants, all of whom belong to the Yellow Race." The concluding paragraphs of the Resolution read:

"*Whereas*, the basic interests of the Negro people, the Japanese people, as well as that of the Chinese people lies in national liberation and social, economic and political emancipation of all oppressed peoples;

*Therefore Be it Resolved*, that delegates attending the National Negro Congress, assembled in Chicago February 14 to 16, 1936,

(1) Protest against Japanese invasion of Manchuria, Inner Mongolia and China;

(2) Give support to all efforts in behalf of the emancipation of all oppressed peoples and the maintenance of peace in the Far East.

# Bureyastroy and Biro-Bijan in the Soviet Defense Plan on the Amur

BY THE REVIEW'S HARBIN CORRESPONDENT

FEW persons seem to have any idea of Bureyastroy, yet the successful completion of this Soviet project is bound to have a tremendous effect on the political situation of the Far East, immensely contributing to the security of the Soviet Far East, at present menaced by Japanese aggression. Bureyastroy is the name given to a series of ambitious plans of the Soviet Government to develop and industrialize a vast region lying between the upper reaches of the Bureya River, flowing into the Amur some distance below Heiho, and the middle course of the Amur itself, at a place where it turns northward before it empties into the Gulf of Tartary.

There are probably only a few regions so desolate and dreary as the upper reaches of the Bureya River. It is a sea of rugged mountains and tangled woods, with no population worth speaking of, yet it turns out to be a veritable storehouse of various natural resources, so that the Soviet Government appears to be ready to develop it ahead of all regions in the Far East. In this respect, the importance attached to Bureyastroy comes only second to that of Dneprostroy and Kuznetskstroy, the two giant projects now fully occupying the attention of the Kremlin and the Soviet public. It seems to be correct to state that, judging by present indications, as soon as the Dneprostroy and Kuznetskstroy projects are completed, the Soviet Government will throw the full weight of its energy and resources to the development of Bureyastroy, converting that desolate wilderness into a bustling industrial centre. In that case the attainment of the Soviet ideal—to convert the Soviet Far East into a self-contained region—will have been accomplished, relieving the anxiety now hanging heavily on the minds of Soviet leaders lest the Soviet Far East be cut off from the rest of Siberia.

It is said that unlike Magnitogorsk and Kuznetsk, the two great industrial centres in Western Siberia, Bureyastroy is admirably suited for the establishment of heavy industry. As is known, Magnitogorsk while having abundant deposits of iron of the highest possible quality has no coal, hence its iron ore has to be hauled the whole distance from the Urals to Kuznetskstroy, in the Enisei region, where it is smelted and converted into a variety of finished products. In the case of Bureyastroy, it is said that iron and coal deposits so intermingle that they can be utilized on the spot by iron and steel works to be built there soon.

### Huge Coal Reserves

A. I. Kozlov, writing on coal resources of the Bureya region in the *Memoirs* of the Far Eastern Department of the Academy of Sciences of the U.S.S.R. (Vladivostok, 1932), stated that the coal bearing strata extend for about 6,000 sq. klm. on both sides of the Bureya, the southern limit of them lying about 250-300 klm. from the Amur. The richness of coal veins may be judged from the fact that only between the Umalta River and Chekunda, a small trading post on the Bureya, there were discovered as many as 25 open places from 0.3 metres to 4 meters in thickness. On the left side of the Bureya, 25 veins of similar thickness were found. Here, 60 klm. from the mouth of the Urgala River, the coal bearing area extends for four square kilometers, with the thickness varying from 0.8 to 3 meters. The coal of this region is stated to be of the best quality, coking at the lowest possible tem perature. Another important coal-field, with a little poorer quality of coal, was discovered 12 klm. above the mouth of the Neman, also on the left side of the Bureya. Its thickness is computed from 0.55 to 6 meters.

A rough estimate of coal and iron deposits of the whole area of Bureyastroy puts them at 150 billion tons and two billion tons, respectively, all deposits practically intermingling with each other and at places easily accessible from the railroad or the Bureya, which is navigable up to Chekunda.

There is no authentic report as to what has been done in the way of materializing the Bureyastroy plan beyond the fact that the region is being traversed by the Baikalo-Amur Railroad (B.A.M.), now under construction. It appears that the railway touches the headwaters of the Bureya River, a little over the estuary of the Neman, thence heading straight toward Komsomolsk, a great industrial and military centre on the Amur, some 100 klm. below Habarovsk. The B.A.M. Railway will have a branch line, 430 klm. long, connecting it with the present Amur Railway at Birakan station, a centre of the Jewish colonization of Biro-Bijan. The line will branch off from Ust-Neman, the future coalmining and iron making centre of the region, and traverse a wild country, at present having practically no population. It is stated that the survey of the proposed route of this branch line has been completed and that its construction has already been started, involving the expenditure of 200 million roubles. One report has it that the construction of the line is being done by convict labor, the Soviets having allegedly put 13,000 laborers, previously working on the double-tracking of the Amur Railroad, to that task.

Included in the scheme of developing the Bureya region is the proposed construction of another branch line of the B.A.M. Railway, or rather of an entirely independent railway, which would connect Bochkarevo, a station to the east of Blagoveschensk and a principal air-base of the Red Army in the region, with Nikolaevsk-on-the Amur, traversing Bureyastroy in its northern section. The line will touch important gold-fields along the Selimji, Kerbi and Amgun rivers and will have tremendous influence for the opening up of that backwood country, especially the Lower Amur region, at present hampered by the absence of rapid means of transportation. A survey of the route was started as long as four years ago but it is not known whether the actual construction has been started or not.

**The above map shows the location of Bureyastroy and Biro-Bijan, the two regions now being extensively developed by the Soviets**

### The Jewish Colony at Biro-Bijan

In direct connection with Bureyastroy, but forming a different phase of Soviet activities in the Amur basin stands the colonization of Biro-Bijan, a region specially assigned to the settlement of Jewish farmers. This region lies on the Russian side of the Amur, between the mouths of the Bureya and the Bira rivers, the last one flowing into the Amur opposite Habarovsk. The boundaries of this territory appear to be ill-defined, especially in the north where it is contiguous to Bureyastroy. According to Professor Charles Kungtze, who knows Biro-Bijan thoroughly, having been connected with it since 1928, the region is roughly equal to Switzerland, occupying an area of about 4,000,000 hectares, or is considerably bigger than Belgium. He says that in respect to climatic conditions the region is admirably suited for industrial farming, with enough moisture and warmth in the summer as to ensure the abundant growth of all grains. In climate, Biro-Bijan does not differ from North Manchuria, from which it is divided only by the Amur.

According to all current reports, Biro-Bijan is forging ahead as a farming region where, unlike in the ages past, all field work is done by machines, eliminating as far as possible human or animal labor. With that end in view, the Government has constructed a number of tractor stations and agricultural machinery

# PEIPING-LIAONING RAILWAY

## ABRIDGED TIME TABLE

*1st January, 1936 and until further notice.*

| 41 Ordinary 1 2 3 | 3 Ex. D 1 2 3 | 23 Fast D 1 2 3 | 301 Ex. SD 1 2 3 | 5 Ex. D 1 2 3 | 305 Ex. SD 1 2 3 | 1 Ex. SD 1 2 3 | Down Trains | MAIN LINE STATIONS | Up Trains | 2 Ex. SD 1 2 3 | 302 Ex. D 1 2 3 | 6 Ex. SD 1 2 3 | 74* Goods &Pgr. 3rd only | 42 Ordinary 1 2 3 | 4 Ex. D 1 2 3 | 24 Fast D 1 2 3 | 306 Ex. SD 1 2 3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 5.45 | 9.30 | 13.00 | 15.35 | 17.10 | 20.00 | 21.15 | dep. | Peiping..... | arr. | 9.25 | 10.00 | 11.38 | | 17.40 | 18.25 | 22.30 | 23.15 |
| 6.04 | — | 13.16 | — | — | — | — | ,, | Yung-ting-men..... | dep. | — | — | — | | 17.23 | — | 22.15 | — |
| 6.20 | 10.00 | 13.30 | 16.00 | — | 20.26 | 21.40 | ,, | Fengtai..... | ,, | 9.02 | 9.36 | — | | 17.05 | 18.03 | 22.02 | 22.50 |
| 6.44 | — | 13.48 | — | — | — | 21.58 | ,, | Huang-tsun..... | ,, | 8.43 | — | — | | 16.37 | — | — | — |
| 7.39 | — | 14.37 | — | — | 21.20 | 22.38 | ,, | Lang-fang ..... | ,, | 8.05 | — | — | | 15.41 | — | 20.54 | 21.51 |
| 8.03 | — | 14.53 | — | — | — | 22.55 | ,, | Lao-fa ..... | ,, | 7.43 | — | — | | 15.20 | — | — | — |
| 8.36 | — | 15.20 | — | — | — | 23.16 | ,, | Yang-tsun ..... | ,, | 7.21 | — | — | | 14.50 | — | 20.19 | — |
| 9.14 | 11.44 | 15.47 | 17.51 | 19.10 | 22.24 | 23.42 | ,, | Tientsin Central ... | ,, | 6.56 | 7.45 | 9.40 | | 14.14 | 16.10 | 19.55 | 20.54 |
| 9.23 | 11.52 | 15.55 | 18.00 | 19.18 | 22.32 | 23.50 | arr. | Tientsin East ..... | dep. | 6.45 | 7.35 | 9.30 | | 14.00 | 16.00 | 19.45 | 20.45 |
| 9.35 | 12.05 | 16.05 | 18.20 | | 23.00 | 24.00 | dep. | Tientsin East ..... | arr. | 6.30 | 7.05 | | 11.45 | 13.46 | 15.48 | 19.32 | 20.15 |
| 10.38 | 13.04 | 17.06 | | | | 1.01 | ,, | Tang-ku ..... | dep. | 5.30 | | | 10.10 | 12.46 | 14.55 | 18.35 | |
| 11.46 | 14.00 | 18.13 | | Stop | | 2.07 | ,, | Lu-tai ..... | ,, | 4.20 | | | | 11.41 | 14.00 | 17.26 | |
| 12.34 | — | 19.00 | | | FOR PUKOW | 2.58 | ,, | Hsu-ko-chuang..... | ,, | 3.30 | FROM SHANGHAI | | | 10.45 | — | 16.34 | FROM PUKOW |
| 12.52 | 15.00 | 19.18 | FOR SHANGHAI | | | 3.15 | ,, | Tang-shan..... | ,, | 3.15 | | | | 10.30 | 13.05 | 16.20 | |
| 13.06 | 15.11 | 19.29 | | | | 3.30 | ,, | Kaiping..... | ,, | 2.55 | | | | 10.10 | 12.51 | 16.07 | |
| 13.39 | 15.35 | 19.54 | | | | 4.05 | ,, | Ku-yeh..... | ,, | 2.30 | | | | 9.44 | 12.34 | 15.50 | |
| 14.29 | 16.07 | 20.28 | | | | 4.57 | ,, | Lan-hsien ..... | ,, | 1.32 | | | | 8.45 | 11.55 | 15.07 | |
| 15.32 | 16.49 | 21.18 | | | | 5.59 | ,, | Chang-li ..... | ,, | 0.31 | | | | 7.40 | 11.14 | 14.22 | |
| 15.56 | — | 21.37 | | | | 6.24 | ,, | Liu-shou-ying ..... | ,, | 0.01 | | | | 7.12 | — | 13.59 | |
| 16.11 | 17.17 | 21.50 | | | | 6.42 | arr. | Pei-tai-ho ..... | dep. | 23.42 | | | | 6.54 | 10.43 | 13.45 | |
| 16.16 | 17.22 | 21.55 | | | | 6.47 | dep. | Pei-tai-ho ..... | arr. | 23.37 | | | | 6.49 | 10.38 | 13.40 | |
| 16.43 | 17.42 | 22.17 | | | | 7.16 | ,, | Chin-wang-tao..... | dep. | 23.09 | | | | 6.25 | 10.20 | 13.20 | |
| 17.05 | 18.00 | 22.35 | | | | 7.40 | arr. | Shan-hai-kwan..... | dep. | 22.40 | | | | 6.00 | 10.00 | 13.00 | |
| | | | | | | 8.20 | dep. | Shan-hai-kwan..... | arr. | 22.00 | | | | | | | |
| | | | | | | 16.40 | arr. | Shen-yang(Mukden | dep. | 14.00 | | | | | | | |

S. D.—Sleeping and Dining Cars. D. Dining Car.

Refund of Fares :— Passengers must get Station Master to endorse ticket on which they intend to **claim refund.**

*1st and 2nd class composite car attached on days when steamer connects.

*Tientsin, 1st January, 1936.* **BY ORDER.**

depots, supplying the collective and State farms with all necessary implements. In 1933, all these farms cultivated 30,000 "ga" of land, raising mostly wheat, oats and soya bean. Considerable attention is being devoted to the draining of swamps, for which the Exchequer has spent over 2,000,000 roubles.

As a farming region, Biro-Bijan is playing an important role as the supplier of the Far Eastern Red Army with provisions. Outstanding in this respect are the Voroshilov and Budeny collective farms in the Ekaterino-Nikolsk district, both combining hundreds of farming communities. Amongst other things, the Budeny collective farm specializes in rice-cultivation, which is quite a new venture in the Soviet Far East.

Apart from developing Biro-Bijan as a farming centre, the Government is rapidly converting it into an industrial centre. In recent years, the following enterprises have been opened and are now throwing their products on the domestic market, viz.; (1) a saw-mill at Tungusska, capitalized at Rbs. 3,000,000; (2) a lime-works at Londoko station, capitalized at Rbs. 1,000,000; (3) a saw-mill turning out standard size bungalows, capitalized at Rbs. 3,600,-000, and (4) a tailoring workshop, capitalized at Rbs. 500,000.

The description of Soviet activities in the Middle Amur would the incomplete without saying something of Komsomolsk, a new industrial centre that sprang up on the Amur, some 100 kilometers to the north of Habarovsk. It is a town of some 50,000 inhabitants, mostly operatives of the huge dockyard, airplane works and arsenal, situated in and around Komsomolsk. On the right bank of the river, opposite Komsomolsk is a cement factory, completed in 1935. From there, a railway is being built to Sovetskaya Gavan, on the Sea of Japan. Concerning the dockyard, it is stated that it occupies an area of one square kilometer and that it is engaged in the construction of submarines and destroyers for the Soviet Navy in the Sea of Japan as well as in the Amur River. Besides, it is stated that Komsomolsk is the principal base of the Soviet Amur River Flotilla, at present consisting of some 30 craft.

Some doubt exists, however, regarding the advisability of developing the country immediately near the frontier, especially Biro-Bijan, which is divided from Manchuria only by the Amur and as such seems to be open to attacks in case of war involving the Soviet Union. Judging by a section of opinion prevailing in certain circles of Harbin, which appear to have an ax to grind against the Jews generally, it seems to be certain that, if Biro-Bijan is taken away from the Soviet Red Army, we shall hear of some grand *pogrom* far exceeding all others ever recorded by history.

Harbin, March 31, 1936.

## Statistical Report Shows Operation of Chinese Railways During First Half of 1934

The Division of Statistics of the Ministry of Railways has issued statistics, covering the period Jan 1 to June 30, 1934. The statistics are presented with a clarity that is commendable. Among the information given are: Passenger service—passenger revenue; goods service—goods revenue; relative proportions of principal sources of revenue; operating expenses by departments; operating expenses by lines; operating expenses by departments and by lines; operating percentage; net operating revenues; profit per kilometre of line after deduction of interst upon government investment; goods train kilometres; passenger train kilometres; train density; train speed; passenger kilometres; passenger kilometres per kilometre of line operated; number of tons originating on home line, by lines; number of tons originating on home line, by commodity groups; tonnage of through shipments, by commodity groups; ton kilometres; number of employees per kilometre of line and per 100,000 train kilometres; number of employees by character of service, etc. As compared with the same period for the year 1933, net operating revenues increased $3,721,837.62 and net income debits decreased $4,106,-571.37, resulting in an increase of $7,828,408.99 in the surplus for the half year.

The results of operation for the half-year were as follows:

| Items | *January to June* 1934 | *January to June* 1933 | *Difference* |
|---|---|---|---|
| Operating Revenues | $76,511,117.36 | $72,530,220.60 | $3,980,896.76 |
| Operating Expenses | 51,032,337.60 | 50,773,278.46 | 259,059.14 |
| Net Operating Revenues | 25,478,779.76 | 21,756,942.14 | 3,721,837.62 |
| Income Debits | 17,688,437.87 | 21,904,851.11 | —4,216,413.24 |
| Income Credits | 656,979.61 | 766,821.48 | — 109,841.87 |
| Net Income Debits | 17,031,458.26 | 21,138,029.63 | —4,106,571.37 |
| Surplus for the Year | $ 8,447,321.50 | $ 618,912.51 | $ 7,828,408.99 |

—Denotes decrease.

## Six Kailan Miners Arrested as Suspected Communists

Six miners, suspected of being Communists, were arrested by the Peace Preservation Corps of the bogus regime in East Hopei, April 2. These arrests were effected when the Peace Preservation Corps surrounded the Tang Chia Chuan mine of the Kailan Mining Administration. It is reported that these six miners were instigators of the recent labor unrest in the mining district.

# Chiao-Tung University Observes Fortieth Anniversary

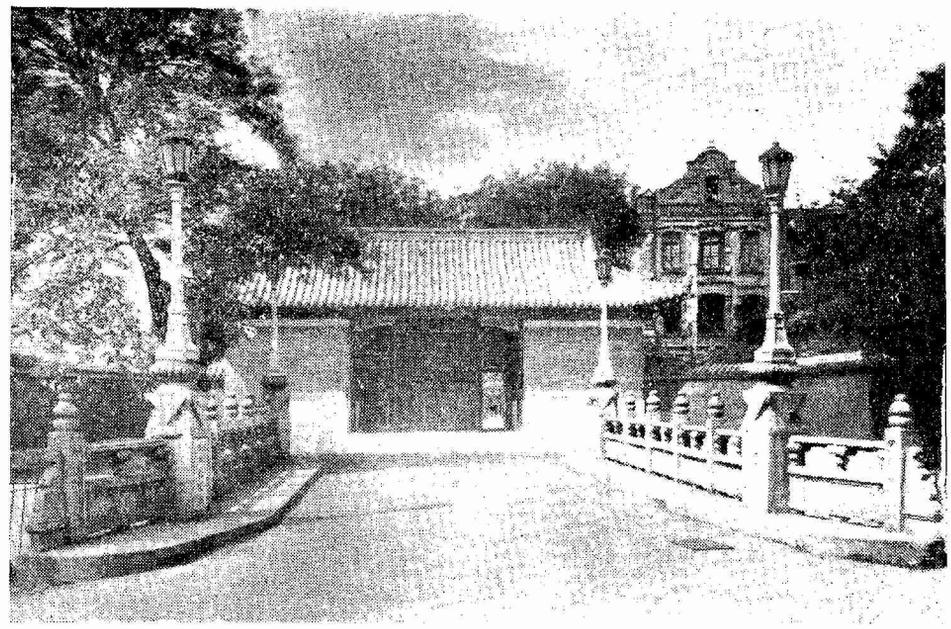
The fortieth anniversary of the founding of Chiao-Tung University, one of the most renowned and best equipped Chinese Government institutions of higher technical education, was observed April 8. Festivities in honor of the occasion started on the evening of April 7. Classes were suspended April 8 and 9. A literary and musical program was given on April 9. The planting of the anniversary tree was a feature of the previous day. The alumni dinner will take place April 11.

Chiao-Tung University is the outgrowth of Nanyang University, which in turn was the outgrowth of Nanyang College. It is under the direct auspices of the Ministry of Railways now instead of the Ministry of Communications and aims to train young people for the employ of that ministry and other Government organizations connected or affiliated therewith; hence its name, Chiao-Tung, meaning communications. It is now composed of the Tangshan College at Tangshan, the Peiping School at Peiping, and the Nanyang Colleges and Schools at Shanghai, at the last of which, its president, J. Usang Ly, resides. The University now has a total enrolment of 1046 students, of whom 181 are at Tangshan, 170 at Peiping, and 695 at Shanghai.

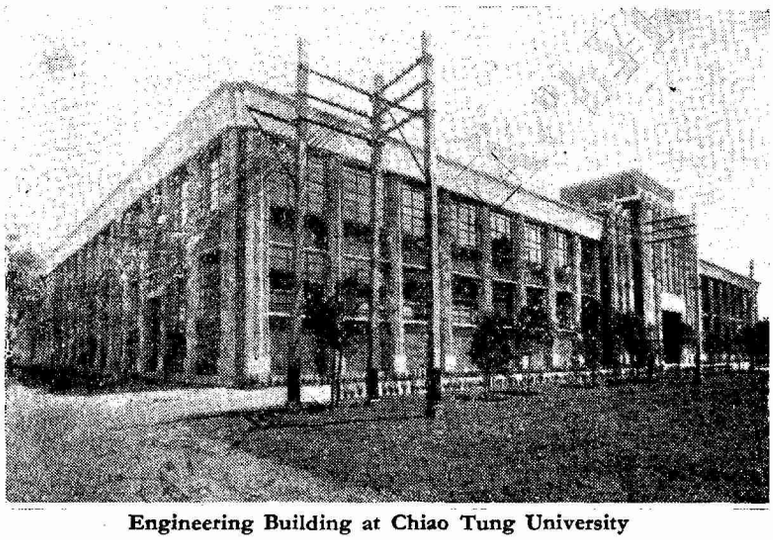
The Tangshan College, founded in 1905, now gives two four-year courses, one leading to Bachelor of Science in civil engineering and the other in mining and metallurgy. Its civil engineering is subdivided into five departments—railway, structural, hydraulic, architectural, and municipal-sanitary. Of its 181 students, 145 are studying civil engineering and 36 mining and metallurgy; divided according to class, there are 23 seniors, 33 juniors, 56 sophomores, and 69 freshmen.

The Peiping School, founded in 1907, gives a four-year course in railway administration with the degree of Bachelor of Science. It is subdivided into two departments—railway and finance. Of its 170 students, 16 are girls; divided according to class, there are 42 seniors, 43 juniors, 35 sophomores, and 50 freshmen.

Originally founded in 1896 the Nanyang College continues in development and expansion. At present there are five principal courses of study; namely, science, administration, civil engineering, mechanical engineering and electrical engineering, each leading to the degree of Bachelor of Science. The College of Science is subdivided into three departments—mathematics, physics, and chemistry. The College of Administration is subdivided into four departments—railway, finance, public, and industrial. The School of Civil Engineering is subdivided into four departments—railway, highway, structural, and municipal-sanitary. The School of Mechanical Engineering is subdivided into three departments—railway, industrial, and automotive. The School of Electrical Engineering is subdivided into two departments—communication and power. Of the 695 students, 101 are studying science, 193 administration, 109 civil engineering, 165 mechanical engineering and 127 electrical engineering; divided according to class there are 173 seniors, 147 juniors, 171 sophomores, and 204 freshmen. Among them are also 34 girls, 10 studying science, 21 administration, 1 mechanical engineering, and 2 electrical engineering.



Gateway to Chiao Tung University on Avenue Haig, Shanghai



Engineering Building at Chiao Tung University

The fortieth anniversary of the University is reckoned from the founding of the Nanyang College from which all the development has become unique and vital.

The graduates of Chiao-Tung University are acquitting themselves creditably in Chinese civil service examinations and competitions for government scholarships at foreign universities. To encourage scholarship among the students, chapters of the Phi Tau Phi Honor Society have been established at Tangshan and Nanyang. Membership requirements for graduating students at Nanyang include for seven terms an average scholastic record of 85% and a conduct record of at least four A's without any C.

## Nanking Officials Dismissed on Charges of Malfeasance

The Commission for disciplinary Punishment of Public Functionaries April 3 handed down its verdict on Messrs. Kao So and Yin Chen-luan, Counsellor and Secretary of the Control Yuan respectively, on charges of malfeasance. Mr. Kao is ordered to be dismissed immediately from his office and suspended from public service for three years, while Mr. Yin is to be discharged and deprived of the privilege of holding any official post for one year. The commission further ordered the dismissal of Fei Tze-shi, former secretary of the Executive Yuan, for conducting a gambling party at his home.

## Military Attache Kita Due in China Middle of This Month

Maj.-Gen. Seiichi Kita, who has been appointed to succeed Maj.-Gen. Rensuke Isogai as military attache to the Japanese Embassy in China, will leave for Shanghai in the middle of this month, after relinquishing his duties as a sectional chief in the Army General Staff. Maj.-Gen. Isogai called on Gen. Count Hisaichi Terauchi, War Minister, and Lieut.-Gen. Yoshijiro Umetsu, War Vice-Minister, in Tokyo, Apr. 4, to report on the latest developments in China. Later in the day he took over from Lieut.-Gen. Kiyoshi Imai his new duties as Director of the War Ministry's Military Affairs Bureau.

# Anti-Japanese Volunteers Continue Active in Manchuria

A recent Changchun message stated that the number of anti-Japanese Volunteers has been greatly increased lately in Manchuria. It is estimated that the total number of Volunteers is more than 150,000 men. These people are stationed along the North Manchuian Railway as well as Mishan, Hulin, Tungning, Ningan districts. The volunteers are keeping close contacts with the local peasants and are organized into six divisions.

Some seventy anti-Japanese Volunteers launched an attack against 10 Manchurian officials of the Bureau of Reconstruction of Antung at a point 20 kilometers from Antung Mar. 31. As a result of the fighting, four Japanese and one white Russian Manchurian official were killed.

**Doihara Sees North China Safe from Communist Menace**

Chinese Communists now threatening Shansi will not be able to penetrate into Hopei, Lieut.-Gen. Kenji Doihara, former director of the Special Service division of the Kwantung Army in Mukden, stated on arrival in Tokyo, April 1 to take up his new duties with the First Army Division.

**Dairen Investigation Delegation Proceeds to Chahar**

Twenty-seven members of the Dairen Economic Delegation arrived in Tientsin Mar. 24 on an investigation tour. After a short stay there, the investigators proceeded to Chahar and Suiyuan Provinces.

**Japanese Officers in Manchukuo Confer—General Uyeda Presides**

Gen. Kenkichi Uyeda, newly-appointed commander-in-chief of the Japanese Kwantung Army and concurrently Ambassador to Manchukuo, presided over the first conference of brigade chiefs under his command, in Hsinking, April 4.

**Emperor Grants Audience to Minami and Doihara**

Gen. Jiro Minami, former Commander-in-Chief of the Kwantung Army and Ambassador to Manchoukuo, now attached to the Army General Staff, was received in audience by the Emperor April 6, immediately after his arrival from the new Empire. Later in the morning the Emperor received Lieut.-Gen. Kenji Doihara, former Director of the Kwantung Army's Special Service Division and now attached to the first Division.

**Japanese Organize Big Salt Company in Manchuria**

The Japanese are organizing a big salt company in Changchun with a capital of Yen 5,000,000. The Manchukuo authorities will subscribe Yen 625,000 of the capital. According to Japanese reports, the company will be formally inaugurated in the early part of April.

**Waterways Conference to Resume April 20**

The Manchukuo Government April 4 announced the appointment of four experts to the conference of technicians for the regulation of waterways lying between Manchukuo and Soviet Russia. The first meeting is scheduled to be held at Blagovestchensk on April 20. The gathering was called at the suggestion of Mr. Slavutsky, Soviet Consul-General at Harbin, who informed Shih Li-pen, Manchukuo Foreign Affairs Commissioner, of the Sovier Union's readiness to reopen discussions that were interrupted when the delegations disagreed on the ownership of the Kazakevitch Channel on the Amur.

**Twelve Middle School Teachers in Kirin Under Examination**

Twelve former middle school teachers, alleged to be members of a terrorist organization named the "Kirin National Salvation" were examined by the judicial authorities in Kirin this week. They are charged with having plotted to disturb the peace and order in Manchukuo in collusion with bandits by destroying railways, attacking trains and blackmailing wealthy persons. According to an official announcement, the Society was organized last March and received campaign funds from the Peiping National Salvation Society through a Peiping bank.

## Carnegie Endowment Publication Describes Work in the Orient

The annual (1935) report of the Division of Intercourse and Education of the Carnegie Endowment for International Peace, compiled by Nicholas Murray Butler, the Director, covers a wide field. Particular interest attaches to the work of the Division in the Orient, in which are treated the activities of the Institute of Pacific Relations. It is stated that the Endowment expended U. S. $10,000 for its work through the Institute of Pacific Relations. An account is given of the visit of Edward C. Carter in the spring of 1935 to Australia and New Zealand. The Endowment expended $2,000 as the cost of extending Mr. Carter's trip to said two countries. The Director states that during the critical period in the Far East he has been fortunate in having as his correspondent and adviser Tsunejiro Miyaoka, a lawyer in Japan with an international reputation. An account is also given of the second Amerca-Japan Student Conferenence, towards the expenses of which the Endowment contributed $1,500.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I.A.A.S.
Building.
L.I.O.B.
Builders' Quantities and Costs.
Boiler Engineering.
Boiler Making.
B.Sc. Engineering.
Civil Engineering.
A.M.I.C.E.
Quantities—Specifications.
Concrete and Steel.
Draughtsmanship.
Electrical or Mechanical.
Electrical Engineering.
A.M.I.E.E.
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Foundry Work.
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Heating, Ventilating and Lighting.
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A.M.I.A.E.
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M. and C.E.
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Sanitary Inspector.
Sanitary Science.
M.R.San.I.
Ship Building.
Structural Engineering.
A.M.I.Struct.E.
Surveying.
P.A.S.I.
I.A.A.S.
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Quantity Surveying.
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Civil Service Exams.
City and Guilds.
Wireless Telegraphy.
P.M.G. Exams.
Wireless.
(Radio Reception).
Works Managers.

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F.C.R.A.
F.C.W.A.
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Auctioneering.
F.A.I.
F.A.L.P.A.
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Cert.A.I.B.
Book-keeping.
F.I.B.
Commercial Art.
Insurance.
Accident Fire
Life. Marine.
F.C.I.I.
London Chamber of Commerce Exams.
Royal Society of Arts Exams.
Salesmanship.
Secretarial Exams.
F.C.I.S.
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# Modernization of Wuchang Planned by Governor Yang

FROM THE REVIEW'S CORRESPONDENT AT HANKOW

ALTHOUGH the recently arrived Governor of Hupeh, General Yang Yung-tai, found Wuchang to be a medieval city as far as its physical aspect was concerned, he is in no mood to allow the capital of his province to continue in the old ruts. He is determined to modernize Wuchang, and every opportunity he has he strikes this dominant note. From the latest reports from across the Yangtze it appears that a drastic program of modernization has been drawn up and that the Governor has given it his okeh.

### Modern Civic Center to Be Built

One of the first items on this ambitiour program of rebuild ing is the establishment of a new center in the neighborhood of the now famous Wuhan National University, six or eight miles from the Yangtze bund. Here is located the noted East Lake, and the undulating landscape in spring and summer is most scenic. Palatial temples of modern learning and research crown the hills to the north and west ot East Lake. The Seventh Day Adventists are erecting a large modern hospital and sanatorium on the east side of the lake. Wealthy bankers and merchants from Hankow and Wuchang have been busy these past few years buying up all available sites around this beautiful lake. Some have also built summer villas and planted huge orchards. One banker has invested in an apiary and sells honey as a lucrative side-line. Of course the Wuchang city fathers will have to wait with any extensive building project on the newly selected civic center site, until funds begin to roll into the city coffers again. The past few years of depression and devastating floods and threats of flood have meant a real set-back to more than one plan. The first matter to be decided will be to extend the city limits to the Lochia Hills.

The second step in the modernization of the medieval Wuchang will be the division of the city into five areas:

1. Political
2. Cultural
3. Industrial
4. Residential
5. Commercial.

The whole city is being supplied with a net-work of modern motor roads and streets. Already many strategic streets have been cut through the heart of the city, at times cutting through hills and across lots where it meant tearing down of old buildings and the widening of streets.

The new project also contemplates the installation of a modern sewage system that will not allow the dirty water to contaminate the rivers and lakes that surround the city of Wuchang.

Historical sites and buildings and monuments are to be preserved and adequate measures are being thought out.

Besides these projects the new Governor plans to improve the parks and establish new recreation grounds along Snake Hill. The barracks are to be removed to the South Lake and the old Public Safety Headquarters is to be turned into a Public Club Hall. A modern cinema is to be erected in the heart of the city and a spacious theater is to be opened. Rebuilding of the bund is also on the program and tree-planting and other excellent features round out the thoroughly modern improvement program for Wuchang. Aroused, the merchants of Wuchang are beginning to take the initiative in bringing Wuchang into its rightful heritage as an important city in Central China, which will be further enhanced by the completion of interprovincial highways both from Kiangsi to the east and Hunan from the south. The opening of the Canton-Hankow in the course of this year will also assist in making Wuchang a city of some importance, quite apart from its proximity to Hankow.

### Cotton Industry to Be Resuscitated

If plans under way materialize, the five Chinese cotton mills in Wuhan will be reopened. Due to the hard times following the flood of 1931 and the general depression which came in its wake, three of these mills closed down, namely The First, Chenghuan, and Mingsen. Besides these there were two which continued running, Yuhwa and Shanghai. There is one Japanese Cotton Mill in the Wuhan area, the Taian. The five Chinese mills have in all 257,000 spindles, with an annual output of 148,000 bales. Most of the goods produced is sold in Hupeh, but quantitites are also exported to Szechwan and Hunan.

Plans for the early resumption of activity at the three cotton mills, which have been closed for some time, are maturing and definite dates for reopening are expected momentarily. Improvement of technical control and reorganization of the management of the plants is being proposed and the practical problems connected with the reopening have commanded the full attention of the new governor.

### Hankow Special Administrative District No. 3

At the Annual Meeting of the S.A.D. No. 3 in Hankow, Director T. T. Quo brought in a very favorable report. In spite of the fact that a prospective surplus of $2,102.40 was turned into a deficit of $1,067.68, due to the extra expenses connected with the successfully fought battle against the threatening flood in 1935, the Sino-British cooperation during the past year had accomplished more than anyone had even dared hope for. The British Consul-General, G. S. Moss, thanked the Director and the councillors for the very fine work they had done.

### Successful Children's Day Celebration at Wuchang

Gorgeous sunshine welcomed the 2,000 school children of Wuhan who met on the Public Physical Training Grounds in Wuchang, on Children's Day, April 4. Among the notable officials who delivered speeches can be mentioned: Governor Yang Yung-tai, Commissioner of Education C. P. Cheng, Special Control Yuan Commissioner Kao I. Han, Special Tang-pu Commissioner for Hupeh Lu Tang-ping. Elevation of children in the eyes of the public and promotion of child welfare were the key-notes of the addresses given. In the afternoon Boy Scouts and Girl Scouts held a jamboree, demonstrating the knowledge they had acquired and the skill developed while in the scout movement. Prizes were given in the forenoon by the governor and in the afternoon minor prizes were distributed.

### East Hupeh Anti-Bandit Operations Progressing

The bandits in eastern Hupeh now divided into two groups have fled before the advance of the government troops, according to the latest telegrams from that area. "A body of 600 bandits fled on March 26 to Chenyuan Temple at the northern foothill of the Tungshan Mountain via Kaotiencheng in Huangmei district, while the other group, numbering about 700, who lingered around the Huengkangshan and Tungchungshan Mountains, had taken to their heels, since March 25, in the direction of Peichichien and Moshan hills."

### Wuhan Garrison Commander Flies to Nanking

In order to report on his recent tour of inspection in eastern and south eastern Hupeh province, the Wuhan Garrison Commander, General Chen Chi-cheng, left by plane on the 3rd of April for Nanking. He will report in person to the Generalissimo on the general situation in the Wuhan center, and the progress being made by the antibandit campaign now vigorously being prosecuted in eastern Hupeh, especially. In the south eastern part of Hupeh the Reds are heading in two directions, one group is retreating from Chungyang toward Hsiusui in Kiangsi, and another toward Pingkiang in Hunan. Their leader is Wei Ping, who probably has between 200 and 300 bandits with rifles. Government troops are in hot pursuit. Let us hope they will be able to catch up to the bandits and end the misery once and for all. Chasing the bandits into virgin fields is rather a form of disservice, especially to those dwelling in the areas visited by the Reds. Why not cut off their retreat and close the door tight? Small vermin on the body politic can make even giants squirm.

Hankow, April 6, 1936.

## Article in "Political Science Quarterly" Discusses Man Power in China

The *Political Science Quarterly*, for March, published by Columbia University, New York, contains as its principal article the second installment of a contribution entitled "Man Power in China," by Dorothy Johnson Orchard. The author points out that despite the fact that China has a low standard of living there is no unemployment. On the contrary the very fact that people do work for what amounts to a bare subsistence, and that slavery and contract labor continues are evidence of the colossal proportions of the problem. Other articles on various subjects are contributed by Jane Perry Clark, Carter Goodrich, Sol Davison, V. G. Simkhovitch, and others.

## Militarists Will Eventually Dominate Japan, B. W. Fleisher States

Militarists will in future dominate the Japanese Government more strongly than ever, B. W. Fleisher, owner and publisher of the *Japan Advertiser*, stated on arrival in Los Angeles Mar. 27. The questions involved in the present crisis are far more complex than is realized in America, and the Japanese problem will never be definitely solved until the liberal militarists are given power, Mr. Fleisher declared.

"The army in Manchuria was itself in revolt in 1931," he said. "Gen. Honjo was in command in the Manchurian zone at that time, and it is doubtful if he could have controlled the men under him. The then Minister of War, Minami, and the Cabinet could have recalled Honjo, but they feared the consequences. That revolt committed the nation. There was no turning back."

# $1,000,000 Air Defense Bonds Issued by Kwangtung Government

For the purpose of strengthening the aerial defense in the Southwestern provinces, the Kwangtung Provincial Government has decided to issue an air defense bond amounting ro $10,000,000. It is understood that the bonds will be issued on June 1. Inhabitants in the Southwestern provinces over 20 years of age are to contribute two dollars every year to finance the aerial construction in the Southwest.

### Southwest Planes to Fly on Canton-Hanoi Line

As a result of recent discussions between Liu Pei-chuan, representative of the Southwest Aviation Corporation, and the responsible authorities of the Ministry of Communications, it has been definitely decided that henceforth the Southwest planes will replace those of the China National Aviation Corportion on the Canton-Hanoi Sino-French airline.

### Chengtu-Kunming Airline Opened April 1

Over 400 miles of airline were added to the commercial aviation network in China when a Eurasia tri-motored plane completed its inauguration flight from Chengtu to Kunming April 1. The plane left the Szechwan capital city at 8 o'clock in the morning and landed in Kunming shortly before noon, bringing four pounds of mail. Coming aboard the plane were two newspapermen who were invited by the Eurasia Corporation to make the maiden trip. They were Capt. Glimpf, Far Eastern Manager of the German News Service, and Chow Pei-chi, staff reporter of the *Central News*.

### Airplane Brings Catholic Priest in Safety to Tachienlu

Tachienlu (now known as Kangting, and situated in the province of Sikang, which was carved from the western part of Szechuen province) was visited by an airplane for the first time March 2. The plane was in charge of two Chinese Government pilots and the occasion for the visit was to bring to safety a Roman Catholic priest (Pere Doublet). He came in the plane from Dawo, to the northwest of Tachienlu, which was captured and occupied by the Reds midnight of Feb. 28.

### Two New Naval Air Bases Established in Japan

Two more naval air bases wese established in Japan April 1, as the Navy Ministry pushed its plans to bring the total number of aerial detachments stationed on land to 39 by April, 1937. Raising the number of naval airports facing Tokyo Bay to three, the Kisarazu base was was opened in the presence of Vice-Admiral Mitsumasa Yonai, commander-in-chief of the Yokosuka Naval Base. Capt. Ryuzo Takenaka was appointed the commandant of the new detachments, which is quartered across from the capital on Tokyo Bay.

### Japanese Air Transport Company to Establish Repair Plant

The *Nikkan Kogyo Shimbun*, March 22, stated that the Japan Air Transport Company as the first step for rationalization of its air transportation enterprises has decided to revise its fares and establish on a firmer basis the sightseeing aviation service and at the same time to establish a repairing plant for its own airplanes.

### Kwantung Army Gets Yen 300,000 Gift to Build Planes

Having secured the permission of General Terauchi, War Minister, the Kwantung Army April 1, formally received a gift of Yen 300,000 from Kizo Manpyo, former President of the Peipiao Coal Mining Company, the *Kokutsu News Agency* reports. Mr. Manpyo offered the sum to the Army late last year for the purpose of strengthening national defense. The *Kokutsu* predicts that the fund will be used for the construction of two high-speed transport planes.

### Kwantung Army Plane Crashes—Captain Killed

A Kwantung army plane crashed at Kwangchengtze (Changchun) during practice Mar. 25. Captain Kobayashi was killed. His companion, a sub-lieutenant, was seriously injured.

### Two Soviet Planes to Explore North Pole

With a view to making several exploratory flights to the North Pole, two Soviet airplanes, piloted by Makhotin and Vodopyanov, landed on the Matochkin Straits. April 7. The airmen will establish their base in Franz Josef Land.

### Faster British Singapore Air Service Is Promised by Air Secretary

The cause of the failure of Imperial Airways to adhere to published schedules in flights from London to Singapore was sought in the House of Commons April 1 by a Labor member. Sir Philip Sassoon, Under-Secretary of State for Air, declared that Imperial Airways allowed 188 hours for a flight from London to Singapore as compared with 144 hours allowed by the K.L.M. line (Netherlands) and 204 hours from Singapore to London as compared with 148. He added that, under the new Empire scheme, it was contemplated reducing the London-Singapore time progressively to under five days. Viscount Astor, Conservative member for the Dover division of Kent, asked: "It is not a national disgrace that we are so far behind other quarters?"


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# News Notes from Java

BY P. S. CHENG

### Presentation of Decorations

IN accordance with the Presidential Mandate of October 10 of the 24th year of the Republic of China, 2 medals of decoration of the Grand White Cordon with Red Borders of the Order of the Brilliant Jade were to be presented to H. E. Dr. Bonifacius Cornelis de Jonge, governor-general of the Netherlands East Indies and to H.R.H. Pakoe Boewono Senopati Ingalogo Abdoerrachman Sajidin Panto Gomo the Xth, soesoehoenan of Soerakarta, Java.

On March 3, 1936 the Chinese Consul General at Batavia left for Bogor to present one of these decorations to the Governor General. In his brief speech on behalf of President Lin Shen during the presentation ceremony which was held at the Governor's Palace, Consul General Sung recounted the decision of the Chinese Government to decorate the Governor-General and at the same time hoped that this expression of goodwill on the part of the National Government would bring closer relationship of the Republic of China and the Government of the Netherlands.

In response to this the Governor General thanked the Chinese Government for the courtesy and would send an official letter in appreciation for the great gift.

A feast was then held in the afternoon after the ceremony.

The second decoration was delivered to H.R.H. the Soesoehoenan on the 15 of March, 1936, where an elaborate ceremony was held with the Governor of Soerakarta attending.

Before the actual presentation the Consul General also spoke a few words. In the name of President Lin Shen of the Republic of China he begged to deliver the decoration as an expression of friendliness and goodwill on the part of the Chinese Government to H.R.H. and his people.

In response to this H.R.H. the Soesoehoenan expressed in brief his thanks to President Lin and hoped that the Governor would send an official letter in appreciation of same. He further wished that President Lin would always be in excellent health and the Almighty God would bless him for his kindness.

Then he asked those present to raise their glasses to drink the health of the Chinese President.

### Closing of Schools

As reported previously, the Government of the Dutch East Indies had decided to abolish several of the H.C.S. (Dutch-Chinese Schools) and the H.I.S. (Dutch-Indonesian Schools) within this year. It is now definitely revealed that more than 20 schools for Chinese children and about 30 for natives will have to be closed at the beginning of August, this year.

Some of the Dutch-Chinese Schools are being incorporated in the schools for native children.

It is also reported that several prominent Chinese are doing their best to establish their own Dutch-Chinese Schools where the Dutch language is being used as the medium of teaching. Were the Chinese Schools where Chinese language is being taught able to show signs of better management, there would be no doubt that the closing of so many Dutch-Chinese Schools would not be bothered about by the Chinese populace. But as it is to-day, many of the National Chinese Schools are considered unsatisfactory.

### The Sending of Cruisers

The news of the decision of the National Government to send cruisers to pacify the Chinese Overseas of the South-Seas has been received with joy by the Chinese population of this country.

About three decades ago the *Haichi* and the *Haiyung* were despatched to Java by the then Manchu Government. The Chinese Overseas here were very much pleased and considered this action on the part of the Manchu Government as showing her interest towards her subjects abroad.

At present when Chinese Overseas are daily thinking of their mother country and when relations of the Government and her people abroad become closer, the sending of the two cruisers will surely be welcome with pride by them.

It would be much better for the Naval Ministry if it could arrange to take in the two cruisers some Chinese Overseas Commanders who have been in Chinese naval service long. Henry C. Su (Su Po Yun), formerly of the Pohai squadron commanding the Chuyu, Yeh Ru-ho, now at Tungchow, and several others who are local-born Chinese long in the service of the Government would be in a better position to interest the Chinese Overseas of the importance of working together with the Government, especially in the regeneration of the Chinese Navy. We believe that the Naval Ministry should take notice of this, which is actually what the Chinese Overseas expect to see in the two cruisers to be despatched on October 10, this year.

### The Military Coup in Japan

The news of the military coup in Japan which has resulted in the death of several government leaders of that country was given prominence in local Chinese and foreign papers alike.

Most of the Chinese-owned papers are of the opinion that the coup will not be beneficial to China, irrespective of whatever point of view one may look at the happening. On the contrary, they all believe that whichever side will ultimately control the government, the policy of Japan toward China is not expected to change for the better. Militarism in Japan has gone amuck and it is only a question of time that Japanese military men will march up in columns to all parts of China unless the Chinese government and people are fully armed to the teeth to check the coming invaders, so said some of the papers.

Even the formation of a new cabinet by Koki Hirota, supposed to be one of the few liberal statesmen in Japan, and the appointment of H. Arita as ambassador to replace Ariyoshi, is never considered of any definite reassurance in respect of Japanese policy toward China, since behind the new premier the militarists of Japan are still clamoring for a stronger foreign policy.

### Chinese-Foreign Cooperation?

W. G. N. De Keizer of the Dutch paper "Locomotief" has recently written an article in which he laments the lack of cooperation between the Chinese and foreign populations, meaning Dutch, of this country. This he considers as the cause of several misunderstandings between the two groups and he urges the leaders of both nations to spare no efforts to find a solution whereby Chinese and foreigners can work together in harmony.

This frank statement from the editor of a wellknown Dutch paper has been fully discussed by many. Most of the Chinese-owned dailies take the stand that as long as the foreigners consider themselves superior to the Chinese, no cooperation will ever exist. One widely-read Chinese-owned Malay paper in East Java welcomes the view expressed by Mr. Keizer but at the same time asks the Dutch editor, "Why are Chinese at Soerabaia refused admission to the local Rotary Club, which is considered an international organization? Why do some of the Dutch clubs admit other nationalities to membership and yet consider even the well-to-do Chinese inferior?" Such questions as these should be solved to the satisfaction of all before one can expect real and sincere cooperation between Chinese and foreigners, mostly Dutch. It is hoped that leaders of Rotary in the East will take notice of this.

### Leaving for Japan, Europe and U.S.A.

Dr. Raden Soetomo, a professor in the local Medical College and leader of the P.B.I. (Alliance of the Natives of Indonesia), who is wellknown in international circles here as an able specialist on dermatology and other diseases of the genital organs, besides a social worker of good reputation and a politician of the more moderate nationalist, will be leaving for Japan on furlough shortly.

According to those close to him, Dr. Raden Soetomo will investigate conditions in Tokio and other Japanese cities and thence proceed to Europe and America. He may probably try to get in touch with some wellknown personages in the social and political world during his travel, which will last for a year.

Recently there has been a flood of native leaders and scholars from Java going to Japan to do some research work there or join some of the universities.

## Japanese Consul-General Apologizes to French Authorities

In a telephone call to the French authorities in Shanghai the Japanese Consul-General apologized for the pnblication of the reports regarding Communist activities in the French Concession by the Japanese dailies and declared that the papers would issue special statements of denial in their publications, the Shanghai *Lih Pao* says. According to the director of the political affairs office of the French Concession, the French Concession authorities are taking an absolutely neutral position in regard to political activites of different parties. However, for the preservation of local peace and order, the French police will stop any disturbances caused by the political activities. Referring to the Franco-Soviet Pact of Mutual Assitance, the French official declared that it is military in nature and has nothing to do with political activities of the two countries. Furthermore, the pact is of great importance to the situation in Europe only. Declaring that all political prisoners arrested in the French Concession are tried by the Chinese courts, the French official added: "Even if we want to protect Communists, we can not do so."

## Japanese Police to Go to America to Ferret Out Red Propaganda

Japanese police officers are being sent to the United States and Honolulu to ferret out the source of masses of Communist propaganda which is said to be flooding Japan by way of American ports, according to articles in San Francisco published in the Japanese press this week. Sailors on merchants ships calling at American ports are the channels through which Red pamphlets and other documents are smuggled into Japan, it is alleged. The pamphletls (in Japanese) by Communists on the Pacific Coast of America are distributed by agents among the crews of ships plying between Japan and Pacific coast ports. American police officials are handicapped by the fact that the pamphlets are in Japanese, thus making it difficult for Occidentals to detect their nature.

## Rev. C. A. Leonard Centinues to Carry on Successful Missionary Work in North Manchuria

Rev. Charles A. Leonard, Sr., of the Southern Baptist Mission, who for many years has conducted missionary work in North Manchuria, continues to carry on successfully despite the political changes. In a recent letter from Harbin he stated that the past 12 months of mission work in said part of the world was bringing encouragement. There has been a fine spirit of cooperation and hard work by the evangelists and Bible women with whom he and his workers had been privileged to work. One evangelist has now been made a pastor. A colporteur has developed into a good evangelist. Another colporteur, who was taken by bandits last fall, was later killed when the bandits, holding him and others, were exterminated.

Discussing the political situation, he says recent events have brought Manchuria strikingly into the arena of world affairs. Japan's increased power in Manchuria, and her advance into China not only makes her more truly the political and economic leader of the Far East, but increases the importance of the missionary's obligation to her. Progress is being made in the extension of communications in Manchuria. Sale of the Chinese Eastern Railway to Japan and Manchukuo resulted in the return of more than thirty thousand Soviet citizens to Russia. Thousands of White Russians have also left. Chinese continue to come to Manchuria, but not in such large numbers as formerly. Koreans and Japanese are literally flocking to the new area, more than, 330,000 Japanese having come during the past five years. Harbin has grown to a population of a half million, consisting almost entirely, and proportionately, of Chinese, Russians, and Japanese.

Rev. Leonard, after noting the cordial welcome given him and his family on their return from furlough, reports that there has been a deepening of spiritual life. There has been an increase in baptisms this year, 352 as against 237 last year. Women's work in the North Manchuria field has made considerable advancement. Two outstations have purchased buildings to be used as church houses, another one is arranging to buy the first of the year, and still another building has been remodeled and seating capacity almost doubled. The Harbin Church has just purchased a lot, on which a church building will be erected this spring.

## Death Occurs Suddenly in San Francisco of J. Harold Dollar

The death occurred at his home in San Francisco April 7 of J. Harold Dollar, vice president of the Dollar Steamship Line, vice president of the Robert Dollar Co. and president of the Pacific Steamship Line. Death was sudden and due to heart failure. Mr. Dollar was for many years a resident of Shanghai, having come here in 1907 to work in the local office of the Dollar Company, returning to San Francisco in 1925. He was active here in the affrirs of the American community and for several years was president of the American Club. He was a director of the Shanghai Dock and Engineering Co., the Shanghai Tug & Lighter Co. and the Far Eastern Insurance Co. The deceased was a native of San Rafael, California, having been born in 1887.

J. Harold Dollar was one of the sons of Robert Dollar, a pioneer in developing American shipping services, who was best known for his inauguration of the round-the-world Dollar Line. He and his brother, R. Stanley Dollar, followed in the footsteps of their father in devoting their life work to shipping. Deceased is survived by his elder brother, his wife, two sons and two daughters, and his mother, Mrs. Robert Dollar.

## Educational Institutions in China Criticized by Japanese Journal

Dealing with the disputes in the Futan University, the *Shanghai Nippo* predicts that it seems that both the National Government and the City Government of Greater Shanghai are inclined to dissolve the university. "However", the paper continues, "the fundamental question here is not the continuation or the dissolution of the university, but is the principle of education in China. Strictly speaking, there is no fixed principle in educational circles of China. They have neither clear aims not effective control. Not only the universities, but all the schools in the country are devoid of principles."

## New Buildings to Accommodate 700 Inmates at Nanking Reformatory

New buildings for the Nanking Reformatory with accommodation for 700 inmates are under construction in Nanking, at a cost of $150,000. The structure is expected to be completed in August. The reformatory is under the supervison of a director, under whom are three departments, namely general affairs administration and discipline. Its monthly administrative expenses are approximately $7,000.

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# Some Economic Factors Incidental to Political Corruption in China

BY C. Y. HSIEH

THE truth about political corruption in China is that it is not merely a political problem. In its broad ramifications it has also social, educational and economic aspects. From the social standpoint the family system with its demoralizing dependence and parasitism has been a strong influence making for corruption. Likewise, the educational system in the country has been at fault since it has inculcated a preference of official posts to other jobs. These facts are given to show the diversity of causes for a malpractice which has undoubtedly taken the worst form in the political sphere.

If the causes of political corruption are diverse, no less so are its expressions. In the dirty game of squeezes the cook or the amah in the household is evidently as adept as a high dignitary in the government. And when the street car conductor in Shanghai sees fit to "pocket" a few cents each time that it is convenient, he is simply carrying out retail what his more strategically placed countrymen are doing wholesale. In short, corrupt practices have become almost part and parcel of our national life which is accepted pretty much as a matter of course. That explains why Government orders and decrees for combatting political corruption, the most recent one of which was issued on March 10, 1936, have never been taken seriously. For they are simply inadequate to tackle with the immense problems for the solution of which they were purposely designed.

To a correct understanding of these problems nothing presumably would contribute more than some economic considerations. In this connection too great an emphasis cannot be laid on the patent fact of general poverty in Chinese society. Class for class, the Chinese draw very small incomes, compared with most other people, to enable them to lead a decent life. It is only natural that they should seek somehow or other to enrich themselves by dishonest means. Once they resort to squeezes and grafts, the facility with which illegitmate gains are attained easly becomes an incentive to seek the gratification not only of basic needs but of more extravagant lesires. In the school of necessity are thus reared many a corruptionist.

### Salaries Too Low

It is plain that much can be done to check the growth of corrupt practices in the government by improving the salary scales of political appointees and civil servants. There is the time-honored Chinese saying that "to a man who is assured of decent food and clothing belongs the senses of propriety and justice"—senses which are the basis of integrity. For this reason it is likely that the Government policy in keeping the scale of official salaries as low as possible would have but one result—the indirect encouragement to grafts and squeezes. As a matter of fact, the prospect of handsome profiteering alongside the low nominal salary has been more or less an open secret in the officialdom, which fact could not but stamp the Government policy with the mark of hypocrisy and self-deceit. There is no question that greater frankness in the official attitude is to be preferred if a change is desired for the better.

Comparative poverty and the consequent economic pressure form, as we have shown, the generic cause for political corruption. There is also a specfic and far more serious factor which may be termed as vocational dislocation through many centuries. It has been one of China's great misfortunes that her manhood, and comparatively recently part of her womanhood, have come as a rule to regard politics as the only honorable and profitable vocation. In the old-time ranking of social classes the scholars were given the prime position over the farmers, the craftsmen and the merchants presumably because scholarship is the prerequisite to officialdom. On this honor men have pinned their life ambitions and for it they would risk irregularities and compromise their dignity. Thus it was that the bids for, and sales of, offices took root which made a government by crooks inevitable. For while there might have been a few wealthy and vain persons who simply traded part of their fortunes for the prestige and glory of being officials, by far the greater majority of aspirants have sought government positions as financial ventures. Too often the fact is that a candidate who spends thousands of dollars to secure a government job would not rest satisfied until he has amassed a fortune many times over and above his "investment".

For an "investment" it is in full sense of the term. So it was in ages past; and is nowadays, especially as the state of unsettlement in rural districts and crippling conditions to domestic enterprises have closed to many the doors to the otherwise profitable vocations of agriculture, industry and trade. Meanwhile, education under the Republican regime has not succeeded in any marked degree in creating new professions and, what is more important, in inculcating the concept of professional ethics—i.e., the abiding by one's chosen walk of life.

### Politics—An Open Game

As it is, politics is an open game for anybody, be he a logician, an astronomer or a chemist by training. Worse yet, once a politician he is forever a politician. He is no longer good for any other profession. Since nobody knows this better than himself, he generally sees to it that he makes his proverbial hay while his political sun shines. Is it any wonder that while other professions have proved unprofitable, the politicians alone have seen so much prosperity?

To trace the economic genesis of the problem of political corruption is almost to hint at its solution. To a large extent successful eradication of corrupt practices will depend on China's modernization and industrialization—a seemingly paradoxical conclusion since the prevalence of political corruption is generally held to be responsible for retarding this very process. While much controversy may be waged around the question of correct causal relationship, it may be stated without contradiction that the opening up of many more chances of profitable yet legitimate investment and employment and the cultivation of a sane professional outlook, consequent on the country's progress in industrialization, will go a long way toward stamping out corrupt practices in politics. Once this economic position is reached, such political reforms as the strict enforcement of a system of rewards and punishments; the introduction of budgeting, accounting and auditing; and the implementing of the authority of supervisory and judicial organs of the Government would have a better chance of achieving their purpose.

April 7, 1936.

## Institution of Chinese Blind Issues 1934-5 Report

The report of the Institution for the Chinese Blind for 1934-5 has been published in brochure form. Geo. B. Fryer, the Superintendent, in a summary of the operations states that there has been an increase of fifteen in the blind population of the Institution. The educational work extends from kinderarten through the Junior Middle School. The majority of the pupils have aspirations for a higher education, but only very few have their hopes realized. However, two expect to graduate from St. John's Middle School next June. Special interest is being taken in the musical department. Mention is made in the report of the Christmas sale held in Messrs. Moutrie's old store on Nanking road. The sale of work from the Printing Press is noted as having been somewhat discouraging. A list is given of donations and subscriptions, the former amounting to more than $10,000, and the latter to more than $3,000.

## Chinese Match Producers Association Is Given Monopoly Rights

The Nanking Ministry of Industry April 3 approved an application of the National Match Producers Association for monopolistic rights over match production and consumption control for its member corporations for a period of five years. During the stipulated period no new match factory will be allowed to be established.

This action on the part of the Nanking Ministry coincides with development in Japan where the Swedish interests are once more negotiating with the Japanese government and Japanese match manufacturers with a view to closer working together.

## Sir Alexander Cadogan Is Interviewed by Japanese in Kobe

Sir Alexander Cadogan, interviewed on his arrival in Kobe, on the s.s. *Empress of Canada*, April 8, enroute to England, is quoted by *Domei* as saying that "China is a difficult place to achieves anything." Discussing the reform of Chinese currency, the envoy gaid he felt that Chinese exchange was being gradually stabilized as the result of the success of the measures adopted by the Government "I don't think there is anything to worry about that," he remarked. "It is unnecessary for me to stress the necessity of understanding and co-operation between Britain and Japan, not only with regard to China, but in several other matters," he added.

In a farewell interview at the Cathay Hotel in Shanghai April 4, Sir Alexander Cadagon, retiring British Minister, said in reply to a question regarding the treaty position of the International Settlement of Shanghai, that it was obvious that this problem could not have been taken up during the past few years due to existing circumstances. He went on to say that he knew that England would take a liberal and friendly attitude in this matter and that the time when the problem would be discussed in all its aspects would undoubtedly come.

He remarked that he had watched with great interest and with a great deal of sympathy the Chinese efforts to "improve things in this country" and that he looked with optimism upon a continuance of certain measures. The ambassador said that he was not sure in this own mind just how adaptable to the Chinese were many of the Western customs which are being brought in today. He said that it was evident that the government recognized this difficulty and that the "New Life Movement" was an answer and "tackling the problem at the right end."

Asked as to what the difficulties were which hindered America in her proposed establishment of an air-terminus for the trans-Pacific air route in Hongkong, Sir Alexander said that he hoped that there were no difficulties, but that he could not reply to the question because he had not been informed as to the latest developments. In reply to a question as to what attitude Britain should take should the United States decide to withdraw her forces from North China, Sir Alexander said that he had received no official communication in regard to this matter and that he was therefore not prepared to discuss it. He did add, however, that in that Britain and America were signatories to the same protocol under which armed forces were stationed in this part of China, he would expect that the United States would discuss the matter with England before taking any definite steps.

Replying to a question as to whether Sir Alexander Cadogan, lately British Ambassador to China, on taking up his new appointment as Deputy Under Secretary of State for Foreign Affairs, would have charge of Far Eastern affairs, Lord Cranborne, Under Secretary of State for Foreign Affairs, said, "The duties of Sir Alexander Cadogan will not be confined to the treatment of Far Eastern questions, but advantage will naturally be taken of the experience he has gained through the two years spent as His Majesty's representative in China."

### Chinese Paper Says Cadogan's Discussion with Japanese Will Be Important

Commenting on the departure of Sir Alexander Cadogan, the British Ambassador to China for London, the *China Times* Shanghai said: "We regret that Sir Alexander is leaving us, as he has done much for the improvement of Anglo-Chinese relations, during his two years stay in China. However, we hope that Sir Alexander will contribute more to the peace of the world, as he is going to assume his new post as assistant secretary of foreign affairs of Great Britain. According to Japanese reports, Sir Alexander will have a conference with Japanese authorities, when he passes Japan on his way home. According to British report, Sir Alexander will exchange views unofficially with the Japanese leaders. No matter what Sir Alexander will do in Japan, officially or unofficially, his discussions with Japanese leaders are of great importance."

## Austen Chamberlain Says Britain Is Not in a Position to Wage War in Orient

Great Britain is in no position to wage war in the East, Sir Austen Chamberlain stated in an address to the Rotary Club in London April 1. "It is evident," he said, "that the League of Nations is very weak in the Far East and that the only two powers which could concentrate strength for the maintenance of peace are Japan and the United States. Beyond them, no country, Britain included, is in a position to wage war successfully in the Far East."

## Chekiang Boy Scouts Hold Jamboree

More than 6,000 boy scouts in Chekiang participated in the Fifth All-Province Boy Scouts Jamboree which opened April 4 in the surroundings of the West Lake at Hangchow. Besides the usual drilling and camping, the Jamboree was featured by "emergency" maneuvers.

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## Chinese Professor on Arrival in Japan Says North China Students Inclined to Be Red

Prof. Chang I-meng, of the Hopei University in Paotingfu, on his arrival in Kobe April 6 at the head of a group including five professors and 21 students from northern educational institutions, told *Domei* that "Most of the 30,000 students in the colleges and universities of North China appear to be inclined towards Communism. The rest are subject to American influence." The party, he said, would make a study of Japanese culture, "to correct misunderstandings often entertained by students."

### Anti-Japanese Students in Tungchow Arrested

Seven students of the Normal College of Tungchow were arrested April 5 by Yin Yukeng, leader of the bogus regime in East Hopei. These students were responsible for the organization of an anti-Japanese National Aviation Association in Tungchow, the seat of the bogus. regime. The association printed and distributed maps on the national crisis secretly to the local people.

### Primary and Middle School Education to Be Free in Fukien Shortly

Taking a definite step in popularizing public education in Fukien, the provincial government has decided to enforce absolutely free education in primary and middle achools as beginning from the new academic year. Commencing from the Fall term, it was learned, tutition fees in all government supported primary and high schools will be exempted.

The Ministry of Education has decided to request the Central authorities to increase the appropriations for the promotion of education in the frontier regions, including Shensi, Kansu, Yunnan, Kweichow, Charhar, Suiyuan, Sinkiang, Hsikang, Mongolia and Tibet. The Central Government has already earmarked $500,000 annually for the purpose, while the Board of Trustees for the Administration of the British Boxer Indemnity Refund will make a grant of $300,000 next year.

### Peiping Students Union Is Dissolved

The National University authorities at Peiping April 1 dissolved the Students' Union as a result of a fracas between a number of students and police Mar. 31. Four of the students who participated in the clash were expelled. The clash occurred when the students, who were holding a demonstration in memory of a compatriot who died in prison in January, attempted to parade through the streets with an empty coffin.

With the suspension of activities of the Students Association, everything is quiet on the student front on Peiping. The students of the Peking National university are attending their classes as usual and students of the other universities are quiet, the schools being closed for spring vacation.

## Classes Resume at Fuh Tan University

Fuh Tan University resumed classes April 8 without incident. Dr. T.H. Lee, the president, and faculty held a special meeting to cope with eventualities the previous day. The fate of the seven students arrested during the disturbances on March 26 is still in the balance. Dr. Lee stated in an interview that Tu Yueh-sen and Sinloh Hsu, Directors of the school, had seen Mayor Wu Te-chen of the Municipality of Greater Shanghai and General Yang Hu, Garrison Commander of Shanghai-Woosung Area, on behalf of the arrested students. Both the Mayor and General Yang, according to the University President, said that the charges were not serious. As soon as routine reports were made to Nanking the students will be released, they explained.

**Scene of fight between students and police on campus of Fu-Tan University, Shanghai, on March 25 when one policeman was killed and several students seriously wounded.**

## Independence of Fiscal Control Aimed at in New Bill

To ensure the independence of the nation's fiscal control the Codification and Financial Committees of the Legislative Yuan, under the stipulation of the Central Government, are considering the legislation of an independent control system for the budgets, accounts, and statistics of all Government organs throughout the country.

The new bill, it is learned, is now being drafted by the Committees and is expected to pass a full meeting of the Legislative Yuan in the near future.

### Shanghai Mainichi Says Nanking Is Now Courting U. S. Financial Assistance

The Shanghai *Mainichi* in an editorial on the reported American financial assistance to China, with special regard to the current visit of K. P. Chen, general manager of the Shanghai Commercial and Savings Bank, to the United States said: "China, which has carried out her epoch-making currency reforms with the assistance of Great Britain, is now courting the United States' favor because London is in no mood to grant China any loans." "China's pitiful financial condition is worthy of our sympathy, despite her insincerity. But if China continues to maintain this attitude, she will only deepen her economic agony," the journal said. The Nanking Government, the paper added, is "impotent" without foreign support, which it is now seeking.

### Chartered Bank Head Views Managed Currency with Misgivings

Speaking at the annual meeting of the Chartered Bank in London April 2 Sir William Foot Mitchell said, " It is naturally not without misgivings that we view this momentous change to a managed currency," in referring to China's abandonment of the silver standard at the annual meeting of the Chartered Bank. The principal reasons for these misgivings he summarized as follows: The Budget had remained unbalanced; Customs and other Government revenues were declining; and the political situation in north China was very unsettled. Sir William added, however, that the present stablized rate of exchange on a low level had already stimulated the export of Chinese produce, and that the trade balance had shown a more favorable tendency in recent months.

### Yuan Adopts Szechuan Rehabilitation Loan Regulations

In accordance with a report made by Dr. Ma Yin-chu, Chairman of the Finance Committee, the Regulations governing the issue of the 25th Year (1936) Szechuan Rehabilitation Loan amounting to $15 millions, and the table for the amortization of principal and payment of interest thereof, were adopted at the meeting of the Legislative Yuan in Nanking April.

### Postal Bank to Start Children's Savings Service

The Directorate-General of the Postal Remittances and Savings Banks has been instructed by the Ministry of Communications to start children's savings service.

### China Has 26,224 Cooperative Societies

The total number of cooperative societies in China up to last December was 26,224 embracing more than 1,000,000 members, according to the latest estimate of the National Agricultural Bureau. The total capital of these societies during the past year amounted to $9,956,674 with the circulating capital of each member averaging $10.

### Additions Being Made to North Kiangsu Telephone Network

North Kiangsu residents are being promised better long-distance telephone facilities with the forthcoming commencement of work on an addition line to the Kiangsu network of already over 500 kilometers. The projected line, when completed, will link Suchien with Peihsien in northern Kiangsu adjoining the Shantung provincial border. The existing network in North Kiangsu, which was completed late last year, includes the Yangchow-Szeyang, Szeyang-Shuchien, Huaiyin-Funing and Kaoyu-Hsinghua lines, measuring a total distance of 505 kilometers and installed at a total cost of $102,119.

### Hunan Planning 570 More Miles of Long Distance Phone Lines—Six New Lines

The installation of six new long-distance telephone lines in Hunan with a total length of 1,745 li, or about 578 miles, is being planned by the provincial department of reconstruction.

### Chekiang Railway to Receive Twelve Million Dollar Loan

Subject to the approval of the Ministry of Railways, a $12 million loan will be issued by the Chekiang-Kiangsi Railway

# Who's Who in China

羅 敦 偉
Lo Den-way (Lo Ten-wei)

Lo Den-way, writer; born at Changsha, Hunan, 1900; professor at the Peking Government University, Chaoyang University and Chungkuo University, Peiping; now senior secretary in the Ministry of Industry; editor of the Chinese Economic Year Book; author of "Modern Tendencies of Democracy," "The Chinese Family Problem," "The Chinese Marriage Problem," "History of Socialism," "On the State" and "On Controlled Economics;" address: Ministry of Industry, Nanking.

羅敦偉，湖南長沙人，現年卅六歲，曾任國立北平大學朝陽大學及中國大學教授。著有現代民治的趨勢，中國家庭問題，中國婚姻問題。社會主義政治學，社會主義史，國家論。現任實業部簡任書秘。主編中國經濟年鑑。近著中國統制經濟論約廿方言在印刷中。

Administration, on the security of its properties, for railway development, $7 millions will be utilized for conversion of the light rails of the Hangchow-Yushan section to "standard" heavy rails and double tracks; and the balance of $5 millions will be used for improvement of the Yushan-Nanchang section.

**Chekiang to Issue $60,000,000 Consolidated Bond**

For the readjustment of its loan obligations, the Chekiang Provincial Government has decided to issue a Consolidated Bond of $60,000,0000, according to a special report received by the *Ta Kung Pao* special correspondent.

**Kiangsi Provincial Government to Issue Land Rehabilitation Bonds**

The Kiangsi Provincial Government has decided to issue a Kiangsi Land Rehabilitation Bond amounting to several hundred thousands of dollars.

**Fukien Gets $500,000 Loan from Three Government Banks**

The Fukien Provincial Government April 1 signed a loan agreement for $500,000 with the three Governmet Banks to tide the Provincial treasury over the present financial difficulties. The loan is secured on salt surtax levied by Fukien.

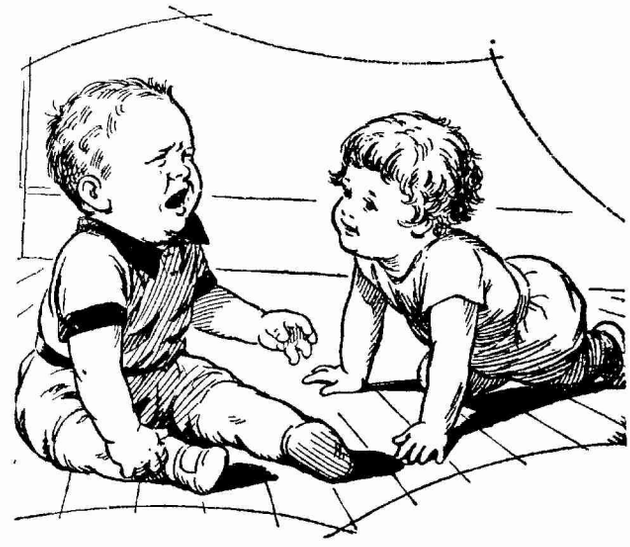
According to the Department of Finance, the Fukien Provincial Government is facing serious financial difficulties. For the month of March, only 50 per cent of the salaries of the Government officials have been paid. It is reported that the monthly deficit of the provincial government is more than $200,000.

**Head Office of Kincheng Bank Removed to Shanghai**

The Kincheng Banking Corporation, with many branches in North China, this week shifted its head office from Peiping to Shanghai. Under the orders of Chou Tso-min, managing director of the Bank and a well-known financier in North China, the removal of the Head Office was carried out hurriedly. The archives were shipped by rail, several cars being required.

**Dr. Ma Warns Against Paper Money Policy**

Embarkation on a paper money policy during periods of emergency such as wartime and others by a government would be suicidal, Dr. Ma Yin-chu, noted economist and chairman of the Economic Committee of the Legislative Yuan, told the Central News an interview April 2. Such a step, said Dr. Ma, would result in the flight of the nation's capital and general disasters. According to Dr. Ma, the main bulk of the Government's revenue during a crisis should come from the inheritance tax. If necessary, a restricted inflation policy and a limited issuance of Government bonds may be resorted to. In such a way the urgent needs of the Government would be met and at the same time a step would be paved for future economic recovery.

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In colds and croup, too, Baby's Own Tablets are a well-proven aid, and for the alleviation of teething pains and difficulties their efficacy is unsurpassed. No home where there are infants and little children should be without them. Of chemists everywhere.

## Baby's Own Tablets

"For Children of All Ages."


## CUSTOMS NOTIFICATION NO. 1506.

With reference to Customs Notification No. 1418, notifying the rules governing the organization and procedure of the Customs Penalty Board of Inquiry and Appeal, the public is hereby notified that, in cases where merchants desire to protest or appeal against penalties imposed by Commissioners under the provisions of the Preventive Law, the procedure provided by Articles 28, 31 and 32 of the same Law must be followed and that the Act of Appeal is not applicable in such cases.

H. C. Tong,
Superintendent of Customs.

Paul Barentzen,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 6th April, 1936.


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# Men and Events

J. B. Ketcham, Consul in charge of commercial affairs at the American Consulate-General at Tientsin, was in Shanghai on a brief business visit this week.

Prof. Hubert Liang of the Department of Journalism of Yenching University, Peiping, has returned to the North after a visit of several days in Shanghai.

*Tass* reports the arrival in Moscow April 2 of Edward Carter, International Secretary of the Institute of Pacific Relations, and Owen Lattimore, editor of *Pacific Affairs*.

Boasting of a length of 375 feet and a width of 61 feet, the new naval dock at Mamoi near Foochow has been completed. It was formally inaugurated on April 9.

Preparations are proceeding in Nanking for the appointment of Chinese delegates to the Third World Power Conference scheduled to be held in Washington on September 7 next.

Tai Chi-tao, President of the Examination Yuan, who has been appointed as Chinese Government delegate to the 11th World Olympiad in Berlin next August will sail for Germany middle of June.

Japano-American collaboration in efforts to standardize the classification of silk was urged by Paolino Gerli, President of the New York Silk Guild, at a meeting of Nipponese sericultural experts held Tokyo last week.

The *Shun Pao* noted that although the agreement governing the function of the Shanghai First Special District Court expired Mar. 31, no change is being made for the time being. The old agreement has been extended for another three years.

Baron J. H. Beck-Friis, newly appointed Consul-General and Charge d'Affaires for Sweden in China, arrived in Shanghai April 6. He later proceeded to Nanking and paid his first official call on General Chang Chun, Minister of Foreign Affairs.

Tachiu Morioka, managing director of the Mitsui Bussan Kaisha, who was manager of the Shanghai branch of the firm from 1933 to February, 1934, died in Tokyo April 1 from a heart stroke. He was 57 years of age.

Public functionaries must provide their own paper when writing private letters and must not use the official envelopes and letterheads of the organization in which they serve, according to a circular order of the Executive Yuan issued April 2.

A fire broke out at Pukow, opposite the river from Nanking April 2. More than 3,000 houses belonging to poor people were burned to the ground, leaving more than 20,000 persons homeless. Another fire broke out in the same area the following day.

The annual meeting of Shanghai Ratepayers will be held at the Grand Theater April 15 commencing at 2.30 p.m. The principal topic outside of routine business will be to decide whether or not the Municipal Orchestra is to be continued.

At the suggestion of Lin Sen, Chairman of the National Government, the Shensi Provincial authorities are mapping out plans for repairing the sepulchral ruins of Huangti, China's first Emperor. The restoration work, it is estimated, will cost about $300,000.

Although the Shanghai Land Investment Company, Ltd., showed a sum of $1,753,548 in the profit and loss appropriation account for the year 1935, no dividends will be paid this year, it was decided at the 47th annual general meeting of shareholders held April 7.

The Chen Hua Cotton Mill was ordered to suspend operations April 2 by the First Special District Court of Shanghai as it failed to pay $9,000 of consolidated tax to the Government. According to well-informed circles, the property of the factory is worth more than a million dollars.

E. H. Cutting, who is connected with the National City Bank of New York, accompanied by Mrs. Cutting, arrived in Shanghai this week and will be associated with the local office. Mrs. Cutting is a daughter of the late D. H. Lawson, who was for several years business manager of the *Manila Bulletin* and *The China Press*. Mr. and Mrs. Cutting are living temporarily at the Metropole Hotel.

D.G.M. Bernard, former chairman of the Court of Directors of the Hongkong & Shanghai Banking Corporation, was elected director of the Bank of England April 1. Mr. Bernard is a member of the London Committee of the Hongkong and Shanghai Banking Corporation, a director of Matheson & Co., Ltd., Alliance Assurance Co., Ltd., and the British & Chinese Corporation, Ltd.

Mrs. Aline Sholes, sister of Mrs. Chester Fritz of Shanghai and Mrs. Jay Lewis Cunnane, who had been staying in Shanghai for several weeks, were among 16 passengers taken from the Norwegian motor ship *Tricolor*, after it caught fire in the Pacific April 6. The rescue was made by the Socony-Vacuum tanker *Yarraville*, on which the passengers are proceeding to San Francisco. Mrs. Sholes and Mr. Cunnane are bound for Los Angeles.

Over 10,000 children participated in the celebration for Children's Day at Civic Centre, Kiangwan, near Shanghai, April 4. Mayor Wu Te-chen of Greater Shanghai delivered an address, dwelling upon the significance of the occasion and stressing the necessity for promoting child education in China.

Appeal of the *Shanghai Zaria*, Russian daily, against the decision handed down against it in the 2nd Special District Court, in connection with the libel action and civil suit brought by G. A. Efron, jeweler, was dismissed by the appeal tribunal this week. Mr. Efron also was awarded judgment for the full amount of his claim, $24,000.

A recent Foochow message stated that in an attempt to monopolize the oil market in Fukien, the Formosan Chu Kwong Oil Company is planning to dump various kinds of oil in the Fukien market. A high official of the Company has been sent to Amoy and Foochow to investigate the market conditions in the province.

The third daughter of Marshal Feng Yu-hsiang, vice-chairman of the Military Affairs Commission, is engaged to marry Li Kung-peng, son of General Li Lieh-chun, a member of the C. E. C. They are both leaving for Europe shortly, Miss Feng proceeding to Germany while Mr. Li is going to England. They are expected to be married when they return to China.

Local postal authorities have made arrangements to expedite the delivery of postal parcels to Shanghai residents and firms. Instead of written notices as is the present practice, the addresses will be notified by telephone of arrival of parcels, but during the experimental stage, it is further learned, the arrangements will be limited only to domestic parcels in bulk.

B. H. Fleet, editor and publisher of the *Harbin Observer*, is a visitor to Shanghai. He states that there is a daily exodus of Russians from Manchuria to Soviet Russia, as they find it impossible under present conditions to make a living in this part of the world. Mr. Fleet will return to Harbin next week. Mr. Fleet was, in Czarist days, engaged in business in Russia.

Boies C. Hart, Vice-President of the National City Bank of New York, accompanied by his wife and daughter, is due in Shanghai in the near future. Mr. Hart is a director of the Far Eastern branches of the bank. After remaining about two months in Shanghai, Mr. and Mrs. Hart will proceed to Manila, Singapore and Bombay, stay briefly at each of said cities.

At the request of the Shanghai Native Factories Association the Ministry of Industry has issued a ruling to the Shanghai Insurance Association through the Bureau of Social Affairs of the Greater Shanghai Municipal Government that only the Chinese text of insurance policies is valid. Up until now most insurance companies have preferred the use of English in their documents.

Three members of the National Assembly of the Philippine Commonwealth and a number of Filipino journalists passed through Shanghai on a good-will mission enroute to Japan April 3. The party will stay in Japan several weeks and return here for a week's stay May 4. The mission was headed by Guillermo Z. Villanueva, Chairman of the Public Instruction Committee of the National Assembly.

The Chinese palace treasures loaned to the London Chinese Art Exhibition are to be shipped back to China aboard the P. & O. Liner *Ranpura* due here May 17. Several of the Palace Museum officials, who went to England together with the treasures, are returning home by the same vessel. Immediately upon their arrival in Shanghai, the treasures will be sent to Nanking, where an exhibition will be held.

Statistics on the total number of criminals in China during 1931-33 were released by the Ministry of Justice in Nanking, April 4. It is revealed that there were 27,193 criminals in 1931, including 26,908 criminals of first offence, the remaining 285 being of recurrent offence. In 1932 the number was increased to 48,849, of whom 47,878 were criminals of first offence and the rest criminals of recurrent offence. In 1933 there were 52,491 criminals, showing another increase of 3,542.

## Wallace S. Heald Dies in Cairo, Following Spinal Meningitis Attack

The death occurred suddenly after an attack of spinal meningitis in Cairo, Egypt, April 5 of Wallace S. Heald, vice president and general manager of the Shanghai Power Co. Mr. Heald left Shanghai via India on Feb. 19 for an extended trip through Europe and the United States, and contracted the disease while on a visit to Egypt. Mr. Heald was accompanied on the trip by Mrs. Heald and their only child, a daughter. Mr. Heald was born at Sturgis, Michigan, April 1, 1890. He came to China in 1931 as assistant general manager of the Shanghai Power Co. Two years later he succeeded C. S. Taylor in the post which he held at the time of his death.

## Phenomenal Growth of Japanese Export Trade Arouses U.S.

Official attention of the United States Government to the phenomenal increase of the Japanese export trade was demanded by Joseph W. Martin, Republican Representative from Massachusetts, speaking for the industrial North Atlantic states, April 1. If this movement continues, Mr. Martin declared, it will be impossible for American industry to live.

Hirosi Saito, Ambassador to Washington, reported to the Tokyo Foreign Office April 4 that informed opinion in the United States does not oppose Japan's growing exports to that country. These observers, the report said, hold that only eight per cent of Japanese goods imported into the United States compete with domestically-produced commodities, and oppose the imposition of a preventive tariff. These circles also maintain, according to Mr. Saito, that the increased imports of bleached cotton do not menace the American cotton industry, since the production of bleached cotton forms but a small share of America's total output.

### Kidnapper of Lindbergh Baby Is Electrocuted

Bruno Hauptmann, convicted of the murder (incidental to kidnapping) of the infant child of Col Charles A. Lindbergh, was electrocuted at Trenton, New Jersey, April 3, after two postponements made with the hope of getting evidence of accomplices. Hauptmann protested his innocence to the last.

## Map Symposium Published by Chinese Historical Society

The Symposium on Matteo Ricci's map of the world, edited by William Hung, will be published by the Yu Kung Hsueh Hui in April, taking the place of Vol. 5, No. 2 & 3 of *The Chinese Historical Geography*, which contains a number of articles dealing with the early history of Ricci's map as well as its contributions to Chinese geographical knowledge of the world. The price of the reproductions of this map, which is $1.20 each in Chinese currency, will be presented to the subscribers of Yu Kung (The Chinese Historical Geography). The address of Yu Kung Hsieh Hui is 5 Chiang Chia Hutung, Chengfu, Peiping.

## Foreign Banks in North China to Hand Over Silver

The *Shun Pao* April 6 printed a message from Tientsin April 6 to the effect that, at the request of the North China authorities, the Ministry of Finance has given permission to the Foreign banks in North China to hand over their silver stocks to the Central Bank of China, the Bank of China and the Bank of Communications in Tientsin, instead of Shanghai for the exchange of legal tender notes. The silver stocks will, therefore, not be transferred to the South.


## HEADACHES ON THE INCREASE,

**Speed of Living Blamed.**

An eminent medical authority states that headaches are on the increase, and he attributes this to the 'speeding up' which is so marked a feature of modern civilization. "We are all in such a hurry to get about rapidly, to climb socially and to fill our lives with so many things, that we never get sufficient rest", he says.

What the learned doctor means, of course, is that these headaches are mostly due to nerve strain. But unfortunately few of us can relax—to do so, we fear, would mean falling behind in the race. So the only course is to watch our nerves, and our general health, keeping both tuned up to high efficiency.

Since the nerves, the brain, the stomach, and all other parts of the human body, are dependent upon the blood for nourishment, it is only by means of good, rich, red blood that we can restore them, when run-down, to healthy activity. And to do this it is wise to seek the aid without delay of a high-grade, reliable blood and nerve tonic, such as Dr. Williams' Pink Pills, which impart, among other helpful things, fresh supplies of that all-important strengthening element, iron, to the blood at every dose, thus revitalizing the nervous system, restoring strength to the digestion, and imparting a joyous sense of renewed vigour and health.

Equally good for men and women, old and young, Dr. Williams' Pink Pills have a record of over fifty years' world service behind them, so you can feel confident that what they have done for others they will do for you. Obtainable from chemists everywhere; begin your cure today.

*It's Great Fun Being*

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1861


## In the United States Court for China

| | |
|---|---|
| In re. Last Will & Testament of JOHN A. SNELL, Deceased. | Cause No. 4041 Special Proceedings No. 1062 NOTICE Filed at Shanghai, China, March 26, 1936 William T. Collins, Clerk. L. T. Kenake, Asst. clerk |

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN A. SNELL, deceased, to present the same with vouchers to the undersigned on or before October 4th, 1936, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

JOHN W. CLINE,
Executor,
10 Young Allen Terace,
Shanghai, China.

Shanghai, China.

# New Books of Interest in the Far East

## The Biography of a Great Newspaperman

*William Rockhill Nelson and the Kansas City Star, by Ice F. Johnson. Burton Publishing Co., Kansas City, Missouri, U.S.A.*

When one has completed this 200-page story of what is probably America's most extraordinary journalistic achievement, written by a teacher of journalism in Baker University, Baldwin, Kansas, one is left with a deep desire for a biographer with the genius of a Gamaliel Bradford to deal with the baffling mystery that was William Rockhill Nelson. He was the last of the great personalities in American journalism whose self and whose paper were literally inseparable. Kansas Citians were speaking the simple truth when they used to refer to the *Star* as the "Daily Bill Nelson."

A truly able biographer with a full understanding of newspaper making could make such a life an invaluable textbook in journalism. W. R. Nelson started his paper in 1880 with an initial investment of $3,000; it was worth $3,000,000 twenty years later. In another score of years, the *Star* was sold under the terms of the Nelson will for $11,000,000. The year before, the *Chicago Daily News* in a city six times as large as Kansas City had brought only $13,600,000. Such an estate, and additional millions for the purchase of city property and a great experimental cattle farm, had been obtained solely from the earnings of a daily newspaper which delivered thirteen issues a week to subscribers' homes for ten cents and whose advertising milline rate was the lowest in the United States. The *Star's* circulation covered all of Kansas and parts of Oklahoma and Missouri "like a blanket"; more papers were delivered by carrier in the two Kansas cities than there were roofs in the two municipalities. This circulation coverage was obtained by a newspaper whose headlines rarely broke a column rule, which resolutely refused to supply comic strips and a Sunday funny paper, and whole tastes in the reporting of unsavory anti-social news were decidedly prim. To cap it all, its owner from first to last acted on the principle that a paper, like a person, is best judged by the enemies it makes. Whatever the faults of Nelson, and they were many, excessive prudence was certainly not one of them. Quality in all the varied tasks of editorial and mechanical production was a consuming passion.

The story is well told in this little volume, in so far as a summarizing of the essential facts can tell it. What one misses is an adequate interpretation. One for this reason would like to quote in full the foreword by William Allen White. The answer to the enigma is found by the "Sage of Emporia" in the high degrees of courage, intelligence and honesty united in W. R. Nelson. To add to the fascination, the huge hulk of a man, who was exceedingly brusque in his ways and rough (though not coarse) in his language housed an overwhelming appreciation of the beautiful which found its ultimate expression in leaving all that he had to the endowment of a magnificent Gallery of Art in his adopted city.

The contradictions were many and varied. Nelson possessed a strong preference for personal as opposed to property rights; of the *Star* it could truly be said that it was an attorney for the people. He hated and fought with all the powers at his command every manifestation of injustice. Yet his wage and salary scales on the *Star* itself were notoriously poor in a profession characterized by its inadequate remuneration. His will not only failed to give any recognition to the numbers of associates who had been with him for decades, helping to make the paper what it was; it also ignored aged and aging personal servants, one of whom had been virtually his slave for 35 years. The United States has had no more valiant fighter for political democracy; in all his business and other private relationships he was "the Baron," a veritable reincarnation of a feudal lord. To his intense individualistic spirit, there was only one side to any issue and that was the side he was on, hardly a democratic point of view.

Two traditions concerning the *Star*, which are accepted without reservation by Mr. Johnson's book, are open to question. Nelson was amazingly indifferent to defeat; "The *Star* will lose a lot of battles," he was fond of saying, "But it will always win the war." That has been true in the case of many reforms but despite the continuation of his struggle against corrupt politics by the *Star* under a company composed of his former employees, Kansas City and most of Missouri is dominated today by a spoils machine which can teach Tammany tricks. "He found his city in mud and left it in marble"—the last sentence in the book may be said to be its theme. To qualify the giving of excessive credit to Nelson for Kansas City's unique system of park-ways, etc., N. A. Crawford of the Kansas State College of Agriculture's school of journalism points out that Denver was similarly metamorphosed at the same time, though dominated by its ineffable *Post* and its scallawag owners. San Francisco, Minneapolis, and a number of other American cities also went from mud to marble in the period without the aid of anyone comparable to W. R. Nelson. His true monument is not an art gallery, nor a city beautiful; it is the *Kansas City Star*.

V. N.

## Force—With a Moral Foundation

*Force, by Lord Davies. London: Ernest Benn, Ltd. 21 net.*

The author in a former book, "The Problem of the Twentieth Century" has outlined a plan for the organization of force as an instrument of international justice. Realizing that no such plan will be accepted unless it has a moral foundation, he is endeavoring in this book to show how right is the foundation for his purposed use of force in its police function. Very appropriate is his opening quotation from Pascal:

> "Justice without Force is impotent: Force without Justice is a tyranny.
>
> Justice without Force is a myth, because there are always the bad men; Force without Justice stands convicted of itself.
>
> We must therefore put together Justice and Force; and therefore so dispose things that whatsoever is just is mighty, and whatsoever is mighty is just."

He then proceeds to make a scientific study of the moral use of force in every sphere of society, and especially in international relationships. Lord Davies is convinced (and makes out a very convincing case for his readers) that the use of force can be morally justified only for the performance of the police function in civic and in international relationships. His first chapter is rather a dry exposition on "The Nature of Force." In fact, the chief criticism this reviewer would make of the book as a whole is that it is so scientifically expositional that it is dry reading. If the case for the right use of Force could be presented in more popular form it would be read much more widely, and go that much farther toward winning adherents to its cause.

The author shows how in all civilized and democratic communities the right use of force has long been understood as the police function and this, except in time of civil disturbance, has been strictly adhered to. But as he points out:

> "Immediately the international frontier is crossed, force divests itself of its police uniform. It appears in 'shining armour' completely accoutred with the weapons of war. No longer is force the mainstay of justice. It assumes the role of the renegade lawgiver and the relentless aggressor. It has completely changed its character, and henceforth rides rough-shod over every institution, human or divine. It may well be asked why a frontier line should possess this magic power of transformation."

His main thesis is then to show how Force must be scientifically organized as the sanction of international law in the form of an international police force. The establishment of a League of Nations with its deliberative assembly, its quasi-executive Council, its permanent secretariat and the Permanent Court of International Justice are not sufficient to prevent the duelling system between nations. The futility of war is evident to all, but we are heading directly towards war on almost every continent again today. We pretty generally know that war can "pulverize without hope of repair all that is left of civilization", and yet we stand helpless in the face of our greatest twentieth century problem. The League is tottering. The projected scheme of Disarmament was still-born. The right to make war remains. Youth should be vitally interested in this problem, for as Lord Davies pungently expresses it: "During the (World) War Youth was the cannon fodder, and now it is the chaff of the economic machine." There are millions of unemployed in every country eating their hearts out for want of a job. And yet it would seem that Youth is more or less content to blunder along as their fathers did.

The author frankly criticizes the policy pursued by successive British Governments, and yet shows the responsibility which rests upon Great Britain in this matter of democracy. He feels that the policy hitherto pursued has helped to disintegrate the League, compromised its unity and solidarity. Instead of becoming what its founders intended it to be,—an instrument for the prevention of war—it has degenerated into an annual conference. This seems to be an accurate description of what is happening to the League of Nations. What it needs Lord Davies sees clearly. A court of justice the League already has, but it has no Tribunal in Equity. It has no authority to pronounce a verdict on grounds of equity and good conscience, and certainly no police sanction to make its decisions valid.

His chapter on "Force and the Future", or the character of the next World War, presents nothing especially new. All the nations pretty well know that the next war will be waged from the air, that nerve centers such as cities, government buildings, factories, railways, ports and shipping will be bombed, that it will be a war on non-combatants more than upon armies. The bogies of an international police force, however, are brought out into the open and shown to be innocuous, and the practicability and necessity of the international police force clearly portrayed. The change in psychology, the new mentality, affected by such a police force effectively established makes the day when "Wars shall be no more" seem much nearer the dawning.

G.T.F.

## Cultural Progress in China

*Handbook of Cultural Institutions in China. Compiled and edited by Wenya Chyne, Deputy General Secretary and Editor-in-chief, Chinese National Committee on Intellectual Cooperation. Shanghai, Chinese National Committee on Intellectual Cooperation, 1856 Avenue Joffre,* 1936. 282, *xxiii pages.* $10 *Mex. Foreign postage,* $1.

A book of this kind in the English language makes available valuable information on cultural progress and activity in China. Up to 1934 there was no complete survey of such cultural institutions as are here listed and described, but in that year Mr. Chyne prepared a Chinese volume at the request of the Chinese National Committee on Intellectual Cooperation. The present edition is more comprehensive than the Chinese edition, including as it does a hundred additional institutions, bringing the total up to five hundred. Even this does not exhaust the list of institutions and organizations which might have been included, and doubtless every reader will find certain omissions.

The range of institutions considered is only intimated in the classified index which divides them under the titles of Associations, Societies, Libraries, Museums, Observatories, Research Organizations, Technical Colleges, Universities, University Colleges. The details which accompany each organization build up an encouraging mosaic of the cultural work which is being done in China. Of particular interest are the research problems now under consideration in the pure and applied sciences as well as in the field of the arts. These problems range from astronomical data, mustic, drama and philology to the diseases of plants and animals. One is glad to see a concerted activity in improving sericulture. In some cases the work is being carried on in cooperation with organizations in Europe and America. Lists of publications are appended to the information on various institutions.

The information given is brief and definite. In some cases one would appreciate more details; for example regarding the Chinese Cultural Reconstruction Association (Shanghai) and the Chinese Cultural and Economic Institute (Peiping). In a few cases more information might show whether or not there is an unnecessary duplication of work, as in the Committee of Scientific Terminology (Shanghai) and the National Institute of Compilations and Translations (Nanking), two organizations which concern themselves with the regulation of scientific and technical terms. Some institutions founded by Christian missionary groups have only the general statement "established by an American mission board." In such a handbook as this the definite founders should certainly be named; the facts are essential.

It is surprising to find listed 22 libraries in Shanghai and 17 libraries in Nanking. This situation in Shanghai—of valuable library material scattered through a score of librar es—makes evident the desirability of a central catalogue which would make available the library resources of the city. The Handbook does not deal with future plans, but certainly there must be some cultural agency which would and could undertake a work of this kind. The National Library of Peiping has issued a Union Catalogue of Books in European Languages Found in Peiping Libraries, and is now engaged in the publication of western serials available in certain Chinese libraries. Shanghai needs to make her resources in this field available to those who could make use of them.

In the next edition one would like to see the inclusion of the Yale-in-China Association which is participating in the Yali Union Middle School, Hua Chung College and Hsiang Ya Medical School. The Oberlin Shansi Memorial Schools should be included and the Kiangsi Rural Welfare Centers under the National Economic Council, (Chang Fu-Liang, Director) are a noteworthy cultural development which should be recognized.

Mr. Chyne is to be congratulated upon his work in bringing together the information contained in this book. It cannot fail to be of value to all organizations and persons who wish to keep in touch with prsent day cultural activities in China. There is much evidence that China is seeing a great increase of progress in all that goes to make up modern knowledge. This is a heartening sign for the present time.

F.M.R.

## Foreign Policy Association Issues Book on Dictatorships

The Foreign Policy Association (8 W. 40th St., N.Y.) has issued the third of its "headline" books, entitled "Dictatorship." It describes the dictatorships in Russia, Italy and Germany. There are pictures of Russian boots tramping down the populace, pictures of Jews, with the work "Hate" in the background, and references to Mussolini's March on Rome.

## Nazi Regimentation of German Life Now Complete

How the Nazis have monopolized all fields of thought and action in present-day Germany is described in the April issue of *Foreign Affairs.* The investigaiion has been conducted by three well-known American authorities. Prof. Charles A. Beard describes the Nazi conquest of the German educational system. Norman Thomas describes the Nazi regimentation of labor. Dorothy Thompson shows how the regimentation includes every phase of cultured life, in particular literature, the theatre, music and the ›ress.

# In the United States Court for China

JOHN E. NOELL, Plaintiff,
vs.
HELEN NOELL Defendant.

Cause No. 4010
Civil No. 1906
ORDER
Filed at Shanghai, China, March 23, 1936.
William T. Collins, Clerk.
L. T. Kenake, Asst. Clerk.

The object of this suit is an action for divorce,

WHEREAS, plaintiff herein, by his attorneys, has this 23rd day of March, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 11th day of February, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 23rd day of March, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he ever resided therein, and that defendant's last known address was General Delivery, Portsmouth, Virginia,

NOW, THEREFORE, it is this 23rd day of March, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review,* a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occuring after the 11th day of April, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 23rd day of March, 1936.

MILTON J. HELMICK,
*Judge.*

FOR SALE

Subscriber, departing from Shanghai shortly, would like to dispose of back-issues of *The China Weekly Review,* almost complete for the years 1932, 1933 and 1934. Librarians or others interested, please communicate with Subscription Department,

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

# China's Publicity Problem

BY RICHARD L. JEN (任玲逖)

It is not, as many suspiciously imagine, for the purpose of enhancing their prospects for employment that the gentlemen of the press have of late so consistently "ballyhooed" the importance of that much-heard-of journalistic technique known as "publicity". Rather, it is this fast changing modern era—the growing complexity of society; the scientifically improved means of communication and transmission; and the increasing interdependence of nations with one another, politically, economically and culturally—that has demanded the services of "the specialist of public relations" to enable any part of the world to know how the other half lives, struggles, thinks, or what it attempts to achieve.

In the top-deck go-getting nations today, practically every branch of human endeavor boasts a goodwill promoter. If I remember correctly, even the dignified old-fashioned Supreme Court of the United States recently discarded its attitude of worldly aloofness by publicly announcing the appointment of an experienced newspaperman as contact man. Publicity, having justified its usefulness during the past two decades since the World War, has indeed made its mark today as an indispensable governmental weapon in international intercourse; perhaps more indispensable, though not usually openly acknowledged, than the diplomatic service. Whether labelled publicity or propaganda (though there is a wide gap between them in journalistic parlance), the establishment of a special department attached to the Foreign Office, or an independent ministry in the Cabinet, of every modern nation to handle and direct intelligence affairs bespeaks the importance governments attach to this specialized branch of work.

In China, incidentally, the Kuomintang was the first regime to make full use of organized publicity in expediting its ascendency to power; its publicity campaigns undoubtedly had been no wesker a force than bullets in the achievement of national unification in 1927. Yet, strangely, throughout the eight years of Party rule, the National Government, while making no denial of the efficacy of publicity at home, has so egregiously neglected the international aspect of the problem.

It gives us some measure of gratification to note, of late, several news items, buried in the inside pages of local dailies, which reveal a faint idea of the National Government's sudden awakening to the urgency of international publicity. Said items were: (1) Plans by the Waichiaopu for the appointment of press attaches to Chinese Embassies and Legations in various leading countries abroad; (2) Elevation of the status of the International Affairs Section of the Central Publicity Council of the Kuomintang to a full-fledged Department of International Publicity; (3) Adoption by the Fifth Plenary Session of the Central Executive Committee last November of a resolution for the immediate improvement of China's publicity program at home as well as abroad; and (4) Commission of Mr. Tang Leang-li, adviser to the Waichiaopu and editor of *The People's Tribune*, on a four-month tour to Europe and America to promote publicity for China.

Anyone who has been abroad and been bitterly impressed by the scarcity of China news in the foreign press, or rather of news that does not border on gross sensationalism or partial misinterpretation, without doubt finds himself in hearty support of any project that may be undertaken by the government to improve her publicity facilities in foreign lands. Equally certain on the other hand, however, will be question—in the event that he realizes the highly technical nature in publicity work—whether such incomprehensive and piecemeal plans as were quoted in the foregoing would reap the results desired.

There is no gainsaying the point that China should, today more than ever before, make herself a little better understood to the external world, in doings other than Communist disturbances, kidnapping of missionaries, politicians' tug-of-wars, floods and drought, Yin Ju-kengs and Tang Yu-lins, graft and corruption, student revolts and warlords' quarrels, as so assiduously "covered" by foreign correspondents on duty in China and cabled home with a human interest touch.

Their professional errand being to report what from the standpoint of the journalist is "hot" news and of interest to the readers at home, the foreign news-hawks in China are not entirely to blame for cabling home "yarns" considered by us as unfavorable to China, unless their stories are malicious fabrications or intentional misinterpertation of facts, which in most cases are not. That such conditions do exist in China stands no refutation. The facts are against China. But, looking at the situation sensibly, do not parallel conditions (maybe slightly different in degree in different countries) exist in Japan, America, Britain, Italy, Germany, Soviet Russia, for that matter? Journalists of all nationalities, may it be remembered, take pride in muckraking.

No great argument is required to establish the fact that like individuals who have two selves, nations have good characteristics as well as bad; and China is no exception. American papers are not devoid of stories of treachery in their own country, natural calamities, official corruption, kidnapping, campus rowdyism, scandals and sensational write-ups about mud-slinging between political parties; similar contents are to be seen in British papers about the faults of their own country, and so on. The major disparity lies in the fact that people outside their state borders are simultaneously also being informed from time to time of their material, cultural, economic and reconstruction advancement, whereas the "foreigners" beyond her frontiers are not given to know about the "other side" of China.

For gross ignorance on the part of the foreign public of steady progress made in various fields of reconstruction in this country amidst seemingly insurmountable difficulties, whose fault is it but China's own? Mr. O. M. Green, by no means a confirmed friend of China, had the following to say in his mail story from London to the *North China Daily News* (Jan. 29 issue): "I have been reading Mr. Tang Leang-li's remarkable book 'Reconstruction in China.' The record of achievement is extraordinarily impressive, but why does not the Chinese Government do something to bring these developments to the knowledge of the average foreign newspaper reader?"

American journalists, too, have pointed out China's lack of publicity abroad. Take Mr. Stuart Lillico, for instance, who emphasized the problem thus: "During my two years' stay in Japan, I heard continuous stories of the chaos and turmoil to be found everywhere in China. Although I tried to keep myself posted on events in all the Far East, not once did I hear anything about the immense amount of labor being done in China in the way of road building, railway extension, agricultural improvement, mass education, afforestation irrigation, etc. I don't think the rest of the world has any idea of the constructive work that is going on in China."

Seasoned newspapermen are not the only class of foreigners who have paid attention to this question. Let us refer to what missionaries have to say regarding the topic. Speaking before a religious meeting at Glasgow recently, the Rev. E. J. Mann of Kansu said among other things: "there is more stability and security in China now than is either realized or appreciated in Europe and America."

There can be little doubt but that these opinions bring home most impressively the necessity for China to have intelligent and sane publicity abroad. I am by no means an advocate for an extensive propaganda campaign abroad to paint China in its rosiest hue and meanwhile repudiate all the cabled stories by foreign correspondents as libellous; but I am one of those who believes it is high time now that efforts be made to help the foreign public see China, no longer as a "land, shrouded in mystery and seething with turmoil", but a country that is as real as any living nation on earth.

By intelligent and sane publicity, it is meant publicity pure and simple. Boiled down to its essentials in definition, publicity must be "honest and above board", to quote Prof. Ralph D. Casey of the School of Journalism at the University of Oregon, and author of "The Principles of Publicity". It must be reliable, truthful and responsible information as distinguished from veiled, irresponsible and unreliable information commonly known as propaganda. The purpose of the former is to create an opinion and judgment at once intelligent, informed and favorable by mere factual information, usually overlooked by the corps of reporters, whereas that of propaganda is to mislead the public by dishonest and incorrect information dressed up as authentic and reliable.

This simple definition is intended to emphasize the point that what China needs today is definitely not propaganda but publicity. In the first place, propaganda in the long run nearly always hits back like a boomerang; secondly, China is no violator of international ethics as to require a crooked lawyer for her defense; and thirdly it is a silly idea that whatever national traits she may have that appear superficially queer or peculiar should be whitewashed.

China, it may be repeated, urgently requires an open channel of its own making for the dissemination of factual news to the outside world, news that in itself constitutes an eloquent defense *per se* against adverse propaganda as diligently supplied the public by those antagonistic to the rightful development of China. Let China's own lamps give light to the strangers to find their way to the knowledge of this country, without which, may it not be forgotten, any hand proferred as a guide would be just as welcome. Therein lies the danger which China must seek ways to overcome if the unknowing public is expected to see a sane picture of China and things Chinese.

Attention may also be drawn here in passing that too much stress need no longer be laid on literature which says no more than enumerating a lengthy list of wrongs that have been done China by alien nations. The Powers today, already "up to the neck" with problems of their own in this era of "everybody for himself", no longer play the role of the "big brother" towards the oppressed; the wailing and the beating of the breast has lost its force in arousing compassion in this world of stark reality.

Notwithstanding propaganda by certain foreigners to the contrary, China truly has made tremendous strides during the past four years in various fields of reconstruction, which is a fact no impartial observer can deny. Publicity, consisting of facts and figures, therefore, would make a better case than theoretical argument that China is not, as certain quarters make the world believe, a disorganized and static state.

The general question of charting a publicity program for China is not as difficult a task as the layman would think. The crux of the problem comes down to the one point as to whether the authorities concerned sufficiently realize its importance as to warrant the appropriation of necessary expenses for the carrying out of same.

A fundamental tackling of the problem, naturally, is the creation of a proper agency abroad whereby publicity copy may be served to soliciting clientele regularly. In this regard, the stationing of Chinese newspaper correspondents in the capital cities of various leading foreign countries is the first essential, because ordinarily no better agency for publicity purposes can be found than in the person of the newspaperman who knows "the game", so to speak, as well as general conditions at home. Dictated by circumstances, the duties of these correspondents should, for the time being at least, consist in issuing "newsy" press hand-outs that measure to prevailing journalistic standard, rather than in gathering foreign news for home consumption. This is based on existing needs of China's "Fourth Estate" for the simple reason that the various foreign news agencies are at present already filing a sufficiently large wordage of cabled news for use in the Chinese press. This stopgap measure is designed to save telegraph tolls.

That the existence of a worldwide news agency forms the basic groundwork for an international publicity network is an indisputable fact, without which, as was mentioned earlier, the appointment of press attaches in Chinese Embassies and Legations and the once-a-year dispatch of "travelling" publicity commissioners abroad are but a superficial approach to the solution of the problem. Publicity, to be effective at all, must be a constant and continual process, which can be accomplished only by uninterrupted contact between full-time men and the daily press. By singling out the daily press, however, it is not meant to belittle the usage of other publicity media, such as the periodical, pamphlet, the lecture platform, motion picture, etc. but the wider universal circulation of the daily newspaper undoubtedly makes it the most resourceful and steadier idea-and-fact-transmitting agency.

But taking into consideration the present conditions of the Chinese press, it is evident that few independent newspapers or news agencies, if any, are financially capable of maintaining their own regular correspondents abroad. The responsibility for solving this problem, it seems therefore, devolves upon the shoulders of semi-official organs, as is the case with Japan, Germany, France, Italy today.

In bringing up this question of international publicity at present, there is at the back also a psychological factor. The intense interest in China abroad as evinced by the Chinese Art Exhibition at Burlington House, Mr. I. S. Hsiung's play "Lady Precious Stream" and Dr. Lin Yu-tang's best seller "My Country And My People" makes it timely for China to nurture such hunger for China copy by initiating an extensive program of sane publicity. By no means intended as ungrateful criticism of the part so excellently played by Mr. Hsiung and Dr. Lin, especially the latter, as interpreters of China for the West, but it may be pointed out that from the standpoint of pure publicity for the average individual, their remarkable works fall short for two general reasons: (1) scholarly works, as Mr. Hsiung's and Dr. Lin's should be regarded as such, reach only a comparatively small and selected audience; and (2) they bring out much of China's glorious past but hardly make a point of her present dogged efforts in national rebuilding. Remember, I said, from the standpoint of pure publicity.

Space does not permit a detailed discussion of the technical points indivisib'e with the problem, both from the external and internal angles; but even in cursory reference to its broader aspects as is the purpose of this article, a supplementary factor may also be mentioned as justifving, for China's own good, the improvement of her publicity facilities abroad. It is the conspicuous change in pre-

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vailing journalistic trend, in both the news value yardstick for, and the reporting of, international events. With the former, news of a more substantial nature is preferred to that of the unusual as typified in the slogan of "when a man bites a dog, it's news", while in reportorial style, the change is from the straight matter-of-fact style to one semi-editorialized and interpretative. Such a change naturally necessitates more background stuff from Chinese sources.

If what has been set forth here is not construed as over-exaggerating the significance of publicity as an essential step to a better understanding of China, it is to be hoped that the authorities concerned will pay due attention to the problem, if not yet done so; and if otherwise, to hasten the materialization of such plans toward said objective.

# On the Student Front in Peiping

BY A PEIPING CORRESPONDENT

Although several hundred of the most active students have either been arrested, forced into hiding, or to discontinue their school work entirely, in order to evade arrest, because of being included in the long "wanted" lists of the police, which range from thirty to fifty in each important school, and the dormitories are jittery with sleepless youth expecting further raids, the student movement in Peiping is by no means dispersed by this terrorism, but shows evidence of merely refining under pressure. The Peiping Students' Union campaigned strenuously to consolidate its united front against suppression of the anti-Japanese movement and for a strong struggle to maintain the freedom and independence of the youth movement against the dictatorship of the government and the authorities.

The individual student-governments called mass meetings to support the Union and issued manifestoes denying that their Union was "dominated by a few agitators secretly plotting student disturbances," which Nanking gave as the reason for officially dissolving it on February 21, and pointing out that the Union has nothing to do with individuals whatever, but is a mass movement of the student-bodies joined together with the league as liaison, the Union being unable to take action without proper consent by a majority vote in mass meetings of the various student-bodies. The delegates, victimized as individual "agitators" by the police, are merely messenger go-betweens from each school accredited by the student-government officers, who must be changed from time to time as soon as they are put on the police lists and hounded out of the schools. If the policies of the Union are made by Communists and "agitators" then the whole student majority who must vote on these and whom these individuals represent must be included in those favorite terms of the authorities. They accuse the Government of declaring an open war on youth.

For instance, a manifesto passed in a mass meeting and signed by "All the Students of Yenching University," on March 13, states: "Since Prof. Yang Li-kuei's traitorous lie nearly three hundred students have probably been arrested. We are intensely angry over these brutal and illegal activities of the authorities, both central and local, and we cannot calm down our hearts to attend school lectures. Our patriotic movement has got sympathy and help and cooperation from the masses, from student circles, from the professors and cultural workers, and from every trade. But from the Nanking Government we have received only the sword—imprisonment and suppresssion. . . . Our government has told us how they love their youth—now we know how they love us! The Union is organized by our Peiping students at a time when the Japanese sword is on our necks and the Central Government has deserted us, cannot protect us. The purpose of the Union is to liberate the nation and to save Chinese history from disgrace. This is a nationwide movement. Every Chinese of any party or clique is welcome to join in our patriotic movement. Perhaps there are Blue Shirts, perhaps there are Kuomintang members, and perhaps there are Communist youths among our members. But the movement and the Students' Union belong to the whole student body of Peiping. It is not influenced by any one party nor by the Communists. We are united on one common purpose—to fight against the Japanese as the only way out for the Chinese people. No one group can possibly dominate us. . . It is illegal to suppress our Union and to raid our schools. It is shameful to mobilize the soldiers, not to fight the opium-eaters but to fight the patriotic students!

"We demand that the raids on the schools be stopped, that no more illegal arrests be made, and that the Emergency Measures and the order suppressing our Union be withdrawn!"

Although about half the middle school student-governments are reported to have been completely disorganized by the authorities so that they cannot cooperate with the Union, the Union has refused to be outlawed. Not knowing what would happen to their "illegal" meetings, the Union called two memorial services on March 18, each school sending a few dare-to-die representatives. About one thousand students from six schools outside the city-wall attended the meeting held at the tomb in Yuan-ming-yuan where twenty-one students are buried who were killed on March 18, 1926, and about five hundred attended the meeting held for the schools inside the city at Peita University. Resolutions were passed demanding urgently that the Central Government immediately stop the civil war and join in an anti-Japanese campaign; that the Government release all the arrested students and professors and withdraw the Emergency Measures, the order dissolving the Peiping-Tientsin Students' Union and stop the suppression of the student movement; that a telegram be sent to the Nanking Government commemorating the death of the students on March 18, 1926, and asking the Government to "punish the criminals who ordered them killed, some of which are now the active tools of the Japanese today as when they were in the Anfu regime" such as Tuan Chi-jui, Hsu Shih-ying (present ambassador to Japan), Liu Cheh (member of the Hopei-Chahar Political Council, who was Minister of Education in 1926), Chia Te-yao (who was Minister of the Interior), and thought to have personally given the order to shoot on March 18; to send a telegram of congratulation to Shanghai upon the formation of the All-China National Students' Union to be formally announced on March 18; and finally to arrange to call a memorial mass meeting for the death of Kuo Ch'ing in prison. Except for a slight clash with Paoantui at Peita, there was no police interference with these meetings.

The Students' Union manifesto issued on that day compares the situation existing today and in 1926: "After the May 30th tragedy of 1925 the anti-Imperialist movement quickly covered the whole country . . . on March 18, 1926, the students of Peiping . . . suffered murder at the front gate of Tuan Ch'i-jui's government at the famous Tieh Shih Tzu Hutung. Under the name of 'preventing the Com-

# In the United States Court for China

ALICE G. DRAPER, Plaintiff,
vs.
NAY MARION DRAPER Defendant

Cause No. 4042
Civil No. 1921
ORDER
Filed at Shanghai, China, March 21, 1936
William T. Collins, Clerk.
L. T. Kenake, Asst. Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 18th day of March, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 21st day of March, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 18th day of March, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since one year, and that defendant's last known address was c/o TEXAS COMPANY, Saigon, Indo China.

NOW, THEREFORE, it is this 21st day of March, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 11th day of April, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 21st day of March, 1936.

MILTON J. HELMICK,
*Judge.*

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**The National City Bank of New York, Rates of Exchange**

Shanghai, April 8, 1936

| | |
|---|---|
| Demand selling rate on America: | U.S. $1.00=Sh. $ 3.37 |
| Demand buying rate on America: | U.S. $1.00=Sh. $ 3.32 |
| Demand selling rate on London: | £1.00=Sh. $16.69 |
| Demand buying rate on London: | £1.00=Sh. $16.44 |

munization of the students,' not accidentally but as a planned measure, he ordered his guards to kill . . At that time over fifty were killed and over 100 wounded. Most of them were shot in the back! . . . The hatred of the Imperialists for Chinese youth was just the same ten years ago, and just the same as now they used the cover of "preventing Communism" to suppress the patriotic movement . . . The Peiping Students' Union is in a dangerous position but we still declare aloud that we will continue to the death our national liberation movement in reply to those shameless, unreasonable traitors and the terrorism they have loosed against us! . . . Today, we must realize our strongest, greatest union and not leave any opening in our front for those shameless traitors and Imperialists' united attack . . . The Chinese national crisis is ten or a hundred times greater than ten years ago and also the height and depth of the anti-Imperialist feeling is ten or a hundred times greater than ten years ago . . . We believe that this strong, great union will break down this terrorism and open up a new way to save our country, etc."

A great deal of resentment was caused by the death of the eighteen-year-old student, Kuo Ch'ing, on March 10, as this is the third case of death from prison conditions within a short time. On January 17, 1936, a student from Hsipei (Northwestern) Middle School, aged sixteen, died in the 1st Hopei Provincial Prison, from "tuberculosis", according to the report, after only one year and three months' imprisonment after being sentenced for belonging to an anti-Imperialist Society. The other case was Miss Wu Chun-nien, twenty years old, a very popular and brilliant student of Peita University, editor of the Fu Nu Weekly, who died in the same prison in May, 1935, after being imprisoned in October, 1934, and sentenced to seven years as a "Communist Youth" member. She is said to have died from "women's disorders" brought on by severe torture and prison conditions, for which her family and friends were refused permission to provide doctor's care.

Kuo Ch'ing, from the Hopei 17th Higher Middle School, was arrested on February 13, with three other students, on the charge of being involved in the disturbance at that school. The whole second and third year classes, 150 of the 230 students in the school, the first year not particinating, left the school *en masse* as a protest against the Principal, Chiao Shih-tsai, after he had expelled ten members of the Students' Self-Government Association and forced the student body withdrawal from the Students' Union. On the 13th ten representatives from each school in the city joined with these 150 as volunteers to negotiate with the Principal for settlement of the difficulty. The Principal hid in a coffin in a nearby shop, refusing to talk with the delegates, and the students held a meeting and voted to destroy all his personal clothes and books to force his resignation. No public property was touched, and the Business Manager was merely boxed on the ears twice for interfering—contrary to the newspaper report. About 600 police surrounded the big compound and the whole street and dispersed the students.

According to a report published by his schoolmates *(North China Star*, March 18), Kuo died of complications brought on by torture and exposure in the prison. After the second time he was beaten all over his body, to extort information, he became ill about the stomach and on March 2 asked permission to see a doctor. This was denied and also the blankets and food sent by his schoolmates was refused. He was merely given some medicine to make him perspire—from which he apparently got pneumonia—and received no attention except from his schoolmates in the same cell. On March 9 he lapsed into a coma and the police sent him to two public hospitals who refused him as a hopeless case, so he was sent to die at the Beggars' Hospital in T'ienchiao where there are no doctors. His father, a retired district magistrate from Shansi, claimed the body there, escorted by forty of Kuo's schoolmates.

The student-prisoners have been forbidden to see, or receive blankets or other comforts from, friends and relatives: many are sleeping on the stone floors in unheated rooms due to the congestion and have become ill it is reported, from the food and exposure. Schoolmates of one student reported seriously ill are now negotiating for his release for medical attention. The students are not slow to point out the irony of this situation as compared with Mayor Hsiao Cheng-ying's great feudal birthday celebration for his parents costing over $100 000, the like of which has not been seen since the establishment of the "Republic." Mayor Hsiao received 47,000 gifts from many of the highest officials in the land, including Chiang Kai-shek and Wang Chung-hui, it is reported. He is regarded by the students as the key man of the Japanese and the "arch-traitor" of North China, so they have a special feeling about this elaborate ceremony, attended by 8,000 guests.

This feeling against the revival of the ancient disregard of youth, over whom the elders always had the right of life or death is further intensified by the recent executions of six middle-school students in Taiyuanfu (who in other countries would be under juvenile court jurisdiction), along with almost daily executions of other political prisoners. Fourteen students from Kuomin Normal School (a higher middle school) were arrested March 2 and two others on March 15. Six of these were charged as "Communist Youth" members and publicly executed, four on March 16, named Hsing Fu-lin, Chao Tsung-lu, Tsao Chin, and P'an Jen-tsung and two on March 18 named Chan Ch'ing-yuan and Lin Ting-kuo. (About 35 political prisoners recently arrested in Taiyuan are at present subject to similar court-martial, it is reported from there most of whom are students, all but six taken from Shansi University, being from middle schools.)

Only a few of the students held in the Peiping prisons have been released since my last report on March 11. On March 18, fifteen more from Tungpei (Northeastern) University were released after their two months' imprisonment, leaving about 20 remaining, though Chancellor Wang Chou-jan offered his personal guarantee for all of them. On March 22, ten releases were made, including seven more from Tungpei. One of the released students reported that on March 17, 24 Tungpei students were sent to the Military Prison as serious cases. On March 23, eleven Tsinghua students were released, ten still remaining in custody. One Peita student Han Shih-chung was released on March 19, a *Reuter* report of that date stating that "Of the 200 or so students arrested by police and gendarmes about three weeks ago, twent-six have been handed over to the headquarters of the Pacification Commissioner of Hopei and Chahar for further examination because their offenses are considered serious. . ." There is no way to check accurately on these details, but the various schools are now reported to be taking a census to investigate the exact number now held.

Before the students are released they are forced to sign a paper "repenting" their activities and denouncing Communism. How many are held because they refuse to do this is not known. On March 19, Tang Yuan-yu of Shihta University, who was the first student imprisoned (after he had made a speech reporting on the students' propaganda tour), was to have been released, but he refused to sign this paper and was put back into custody.

On March 18, the Hopei-Chahar Political Council issued an order that all teachers, professors and faculty members of all schools and universities in Hopei and Chahar must sign oaths against Communism, and provides three types of statements, "one for those who have always been anti-Communist in their views, one for those who exhibit Communistic tendencies in their thinking or who have fomerly been Communists and have since confessed and reformed. The third form is for those who are now Communists or who, while not Communists, agree with Communist theories." The order states: "The Communist disaster and bad Communistic theories have done infinite harm in North China. Unfortunately the intelligentsia seem to be very easily influenced and to succumb to such propaganda readily. . . Those who entertain 'wrong beliefs' must be wiped out at once." On March 22, General Sung Cheh-yuan's headquarters announced that all persons suspected of being "reactionaries" are to be sent direct to the Pacification Headquarters for military trial, and that special precautions against Communist elements be taken. As the Red Army marches into Shansi declaring its purpose to begin an anti-Japanese campaign, which is meant to be the signal for all revolutionary elements to rise to support the anti-Japanese movement, many Shansi students and others reported to have already joined its ranks, a great tension is spreading all over North China and the fear of "Reds" is becoming a hysteria—very dangerous for the innocent as well as the guilty.

Although the students have refused to admit defeat and refuse to discontinue their movement, the Peiping Cultural Circles National Liberation Association of some 149 intellectuals and professors seems to have been thoroughly squelched. Three of their members were arrested: Liu Kai-yuan, Hsiang Chung-I and Chang Shen-fu (and his wife). Of these Prof. Hsiang of Peita University was released on March 18, but the other two are reported to have been sent to the Military Prison as "serious cases," along with Mrs. Chang, who was Miss Liu Wan-ju before her marriage, the most famous girl-student leader during the May Fourth Student Movement in 1919. She has been recently active in organizing the Peiping Women's National Liberation Association, of which she was chairman, it is said.

In the meantime, no more revolutionary activity has occurred among the "bandit-youth" of Peiping, except that the movie houses were jammed full of students during the past few days when three pictures to their liking happened to be shown: Mutiny on the Bounty, Les Miserables, and the Tale of Two Cities. They responded in great excitement to the victory of the mutineers, the scene in which the students of Paris led in street-fighting in the French Revolution, and the storming of the Bastille which released the political prisoners, in these three pictures, respectively. One student was heard to remark, however, that "I'm not sure this is good thing for us to see all this about the French Revolution; the students may revert to the old "bourgeois" revolutionary ideas after this!"

Peiping, March 24.

## Nanking Government Stresses Regulations for Foreign Photographers in Interior of China

The Nanking Government has of late been calling special attention to the Regulations governing photographing and making moving pictures by foreigners in China, which were approved by the Executive Yuan in 1931. These regulations must be complied with by all foreigners, who among other things must be provided with a passport issued by the Chinese Government, while touring the interior. Applications for such a passport must be made to the local police of the places they intend to tour and the applications must contain a request for said officers to supervise their photographing and motion picture work. The local official, after receiving the application, will sumbit a report on the petition to the Motion Picture Censorship Committee. Foreign photographers are enjoined from taking pictures of things prejudicial to the racial dignity of the Chinese nation, actions contrary to the Three Peoples Principles, things not good for the morals and customs of the country, and things superstitious or grotesque. Motion pictures, after having been made, shall only be permitted to be exported after the Committee has approved them.

*The full text follows:*

Regulations Governing the Photographing and Making of Motion Pictures by Foreigners in CHINA *(Approved by the Executive Yuan, 1931)*

Art. 1. All foreigners photographing and making motion pictures within the territory of the Republic of China shall comply with these regulations.

Art. 2. Foreigners photographing and making motion pictures in China shall possess a passport while touring the interior issued by the Chinese Government.

Art. 3. Foreigners photographing and making motion pictures in China possessing such passports shall apply to the local police of the places they tour for a written permit and ask for officers to supervise their work.

Art. 4. After the police organ has issued the permit and appointed an officer or officers to supervise the photographing and making of motion pictures, the said police organ shall submit a report of the condition of the petition of the foreigner or foreigners to the Motion Picture Censorship Committee for record.

Art. 5. Foreigners photographing and making motion pictures in China, in seeking materials for their pictures, shall avoid the following circumstances:

(1). Things prejudicial to racial dignity of the Chinese nation.
(2). Actions contrary to the Three Peoples' Principles.
(3). Things not of good morals and customs of the country.
(4). Things superstitious or grotesque.

Art. 6. The motion pictures after having been made shall be submitted to the Motion Picture Censorship Committee to be censored and shall be permitted to be exported only after the approval by the Committee.

Art. 7. These regulations shall be enforced as from date of approval by the Executive Yuan.

Form of Report for Photographing and Making of Motion Pictures by Foreigners in China.

1. Name, western and Chinese.
2. Nationality.
3. Name of the organ issuing the passport and the number of the passport.
4. The name of the company represented and its address, in western and Chinese languages.
5. Contents of the pictures.
6. For what purpose the picture is to be used.
7. Localities where the pictures are photographed and made.
8. Date when the pictures are photographed and made.
9. Length of the picture.
10. Sound or not sound.
11. Colored or not colored.
12. Name and office of the supervisors.
13. Signature and seal of the chief officer of the police organ concerned.